

# MQ

MANAGEMENT  
QUARTERLY

*FALL, 1960*

A GUIDE TO BETTER MANAGEMENT

**SIGNIFICANT TRENDS IN MANAGEMENT PRACTICES**

By Eric Nicol

**THE BOARD ROOM**

How Are We Doing?

**MAKING MORE EFFECTIVE USE OF HUMAN RESOURCES**

By Edward M. Ryan

**MYTHS ABOUT THE WORKER PAST 40**

By Secretary of Labor James P. Mitchell

**WHY A REGULARIZED WAGE AND SALARY PLAN?**

By Stan B. Stanfill

**EMPLOYEE ATTITUDE SURVEYS**

By David Faulkner

MANAGEMENT SERVICES DEPARTMENT  
NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

# MANAGEMENT QUARTERLY

Fall 1960

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### MANAGEMENT QUARTERLY

#### PUBLISHER'S STATEMENT

Copyright 1960 by Management Services Department, National Rural Electric Cooperative Association, Washington, D. C. Second class postage paid at Washington, D. C.

The *Management Quarterly* is published quarterly by the Management Services Department of the National Rural Electric Cooperative Association, 2000 Florida Avenue, NW., Washington 9, D. C. Subscriptions are \$50.00 per system per year (which brings 14 copies to the system) (\$5.00 annual subscription rates for additional copies).







## management briefs

### 1959 Agriculture Census Available

The U. S. Census Bureau just announced that through January, 1961, it will issue preliminary agricultural census reports based on the 1959 Census of Agriculture for each county or parish, for each state, for the three major regions (North, South and West) and the U.S. as a whole.

These reports will include valuable information on the number of farms; acreage in farms and value; characteristics of farm operations; farms by size, type and economic class; farm facilities and equipment; farm labor; farm expenditures; livestock and poultry raised; and crops harvested.

Such reports can play a major part in providing data needed for your long-range planning and load building activities. The reports can be obtained from the Bureau of the Census, Washington 25, D. C., by sending the list of counties or other areas on which you desire reports and accompanying your order with 10¢ for each report ordered.

The Bureau of the Census indicates that later reports will be issued on Value of Farm Products by Source, Irrigation of Agricultural Lands and Horticultural Specialties.

### Co-ops Among 500 Largest Industrial Corporations

Three cooperative organizations were included in the list of the 500 largest industrial corporations, which appeared in the July issue of *Fortune* magazine.

The Southern States Cooperative of Richmond, Va., is number 281 on the list. In 1959, their sales were \$152-million with assets of more than \$62-million and 3,000 employees. The cooperative advanced in rank from number 289 of the previous year.

Ranking number 290 on the list was Consumers Cooperative Association of Kansas City, Mo. CCA had more than \$143-million in sales with assets of \$111-million and 2,100 employees.

The third cooperative in the group was Eastern States Farmers Exchange of West

Springfield, Mass. They ranked 412 with almost \$90-million in sales, assets of \$45-million, and 2,100 employees.

It is interesting to note that these cooperatives have a sales to assets ratio of from 1.2 to 1 to 2.25 to 1, whereas electric cooperatives have a ratio of from 1 to 5 to 1 to 12.

Capital investments in electric cooperatives are therefore much larger per dollar of sales.

### An Answer to the Communications Problem

**BOILED DOWN** in its simplest form, business communication is merely the two-way street of ideas, information, gripes, orders, and questions within an organization. Good communication moves up, down and across organization lines. You can have staff meetings twice a week and still not have good communications.

The staff meetings have proved to be a good way to let employees know what's on management's mind, but may not be the best place to find out what is on the employee's mind. This is something that you, as a supervisor, must do on a day-to-day basis in working with your people.

Staff meetings, memos, bulletins, or even dinner meetings are not answers in themselves to a communications problem. **The only real answer is a sincere desire on every supervisor's part to communicate with his people and others in the organization.** That means he must continually let his people know what's going on—the plans and progress in his area and in the system.

He must encourage his people to come to him with any questions, problems or gripes. He must never create a situation where his people are afraid or embarrassed to make suggestions. He must know how to give orders clearly and completely. He must be willing to keep his own superior informed of all the unfavorable situations as well as those that put him in a good light.

Maintaining good communications is not an easy job. It requires planning, tact, and a constant alertness. The reward for this effort, however, is usually increased employee morale and efficiency.

## management briefs

### Want to Gum Up a Meeting? Here's How

• **Schedule it for "about" a certain time.** That will waste at least 15 minutes. Late-comers will interrupt and will have to be brought up to date.

• **Don't give adequate notice.** Many of the people will be dated up with important commitments and will have to skip the meeting.

• **Keep the subject secret.** It will prevent participants from preparing.

### Does the Rural Electric Movement Still Retain Its Pioneering Spirit?

MANY PEOPLE BELIEVE that in too many organizations the manager, far from pioneering in the spirit of exploration, looks askance at originality and initiative. Managers speak about the need for new blood, but they generally want the blood to run to the same type.

Ask yourself these questions: Are you willing to take a calculated risk on a good or a new idea or do you feel more secure if someone else tries it first? Do you accept new ideas from your subordinates as you like to have your ideas accepted by those above you? Do you encourage a man to suggest ideas beyond the scope of his work or do you kill initiative by stipulating that that is in another man's area?

Do you assume responsibility for the failure of an idea of another—especially one of your staff members? Do you give full credit to others for successful ideas or do you claim the credit for yourself? Are you as venturesome and receptive to pioneering ideas now as when you were on the way up?

No business, particularly the cooperative business, can stand still. It must move forward or lose ground. Let's revitalize our original pioneering spirit!

• **Set no time limit.** It encourages the meeting to run on and on.

• **Skip visual aids.** An all-oral session will be more conducive to dozing.

• **Permit sideline conversations.** Three or four going on at once insure failure of the meeting.

• **Let the leader be unprepared.** The meeting will bog down, and everyone may spend three hours to accomplish what could have been done in 30 minutes.

• **Let the leader do all the talking.** Non-participation insures boredom of other members, prevents cross-fertilization of ideas.

• **Permit telephone calls to the meeting.** They will interrupt not only the person called but everyone else.\*

\* *American Telephone & Telegraph Company Magazine*

### Beware of "Executive-itis"

SOME EXECUTIVES in the rural electric systems suffer from tensions—or even worse chronic illnesses—which may result from reluctance to delegate work to subordinates. They are bogged down with detail and personal tension builds up under the heavy work load.

Here are some tips to relieve this stress:

• **Start earlier.**

• **Remember the office, not your home, is the place for work.** If your workday must be lengthened, let it be at the beginning rather than the end of the day.

• **Pursue outside interests.** They will relax you, refresh your mind for management decisions.

• **Tackle your toughest problems early in the morning.** Your mind will then be free to handle whatever the day brings.

• **Rid yourself of details.** Your time should be reserved for major considerations.

• **Delegate more and stick to it.** You can only spread your time, energies and concentrations so far.

• **Relax when you travel.** It will broaden and unrumple your outlook.

• **Take an adequate vacation.** More than a few days at a stretch are needed to unwind from your job. Three weeks away from your office will freshen and sharpen your mind and improve your capabilities, making you much more valuable to your cooperative.

# Relief on Workmen's Compensation Insurance Rates

By C. B. LAING

Director, NRECA Retirement, Safety & Insurance Department

WITH the continuing growth of rural electric systems, more and more of our managers are becoming desk executives, confining their duties to administrative tasks.

The Management Advisory Committee has in the past called it to the attention of NRECA's Retirement Safety & Insurance Department that it seemed unfair that such managers are classified in the same category as outside workmen. The department in turn has for some time been in contact with the National Council on Compensation Insurance, along with insurance representatives of REA.

As of January 1, 1960, the National council revised its ruling with respect to the definition of "executive officers." The new ruling, which has been accepted in most—but not all—states, permits use of Code 8810 for the classification of those managers who qualify as "Executive Officers," the same classification, ratewise, as applies to clerical employees.

There are, however, two conditions:

1. The by-laws of the organization must provide for the election or appointment of such executive officer. (Most rural electric system by-laws provide for the appointment of a manager by the Board of Directors, and some for other specific management positions, as well.)

2. The duties of such executive must be primarily of a desk work nature, and if he regularly and frequently performs such duties as are ordinarily undertaken by superintendent, foreman or lineman, the new ruling may not apply and his classification would have to be assigned to Code 7540, which is that applying to all other rural electric system workers.

Because this change in ruling is readily subject to misinterpretation, we want to emphasize that it does not automatically apply to all managers, despite rumors to that effect. Check with your insurance auditor on his next visit. The manager is not precluded from going out on service calls

or making an occasional field inspection. The key language is whether the work is "regularly and frequently" performed.

## Best Annual Report

Washington Electric Cooperative, East Montpelier, Vt., took top honors for systems with under \$500,000 annual revenue in this year's American Public Power Association Annual Report competition.

One unique feature of this report is an interesting introduction against a background of a Willie Wiredhand Minuteman. The introduction reads:

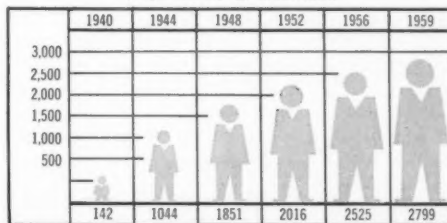
"YOUR COOPERATIVE is an organization of your friends and neighbors. It was established in a time of crisis and built on principle by men of principle. Its distinctive character is a product of yankee ingenuity shaped by men and women of good will; molded by people of tough minds and stout hearts who made decisions to the best of their abilities on ideas that were not always too clear. In the beginning they had no manuals of procedure, no rule books, no examples of success. They had only an urgency of need, common sense and a feeling of what is right and what is wrong. Your organization grew as the successive decisions cultivated new opportunities. Its benefits will spread as you use its facilities. Its permanence will be maintained as your vigilance and spirit protect it with the truth of its operation."

Other interesting features include pictures of a director at the bottom of each page stating such aims as "Only a Board of Trustees that stems from the people can speak for the people."

This award-winning report makes effective use of charts, one of which is reproduced below.

Frank Sahlman, manager of Washington Electric Cooperative, has indicated that a limited number of these reports are available to those who request them.

YOUR CO-OP IS GROWING



# Significant Trends in Management Practices

By ERIC NICOL

Senior Management Consultant,  
Rogers, Slade & Hill

**T**HOSE of us who have watched the progress of modern management programs in rural electric systems during the past six years have been tremendously encouraged by the changes in concepts and philosophy of boards and managers and the results they have achieved. There have been demonstrations of management practices for which the cooperatives concerned can be justly proud. The evidence is clear that as a result many cooperatives have greatly benefited from improved operating and financial results and from richer satisfactions for their personnel.

## Emphasis Shifting to Viewpoints, Objectives and Policies

Significant changes in emphasis that have created new relationships and satisfactions for boards and managers have grown out of the recognition of the values of viewpoints and objectives. They have become effective guides to determine the kind and scope of operations. In fact, there is evidence that the satisfactory nature of the overall results is in direct relation to the seriousness of convictions about and the clarity of statements of what a system believes and stands for, and unity of understanding and acceptance of such objectives.

Breadth and scope of policies and their use as guides to consistency in decision-making by all levels of management are motivated by the convictions regarding beliefs and objectives.

In one cooperative the manager readily admitted that his written statement of viewpoints and objectives was largely copied and given perfunctory attention by the board. "But," he stated, "in our formulation of policies we found the viewpoints and objectives changed our thinking about the nature and subject matter of policies." He added, "For instance, we see our public and member relations and management development with a new perspective today."

Policies in rural electric systems are changing in subject matter and content,



moving from procedural applications to becoming more purposeful and meaningful as guides to broader areas of operations.

Marked shifts in management emphasis have developed from the newer concepts of management functions. Progressive

boards and professional managers have a deeper sense of social responsibility. In increasing numbers they have become concerned about utilizing the objectives and goals of employed individuals as the ultimate in organization results.

Working teams have been effectively used to capture the contribution of qualified individuals and provide opportunity for growth and development of people toward their own objectives and goals.

In a recent group session a manager stated, "Consultative management, working teams and annual work programs have given us a lesson in how to make team organization work with a minimum of authoritative action."

Numerous other illustrations can be documented and reported with enthusiasm on the desirable results of advanced management thinking and action. They involve such elements as broadening of concepts of board functions, improved board and manager relations, more effective planning, demonstrations of consultative management, management development, appraisal of performance and counseling to stimulate employee growth and development, formal pay plans that create confidence in the fairness and equity of salaries and wages, and control systems for measurement of results. The emphasis on these and other phases of management functions have shown ample evidence that boards and managers have

set higher standards for themselves in the broader aspects of business operations and services to members. Out of the changing management scene have developed higher level technical skills and greater satisfactions for the personnel.

If we could select two of the most significant contributions to performance, growth and development of people from the many striking illustrations of modern management practices, they might be organization planning and management staff services.

### Organization Planning

When the management institutes first started there was a tendency for directors and managers to be mainly concerned about "What to Do" with some concern about "How." The significant change in many rural electric systems has been influenced by the change in thinking regarding objectives. In other words, the "Why" has broadened the concepts and is replacing the emphasis on techniques.

The encouraging evidence of progress has been the continuing study on organizational improvements in so many cooperatives. The management groups in these cooperatives do not believe that the organization plan is completed with the organization manual. There is more and more evidence that position descriptions are being kept up to date but, more important, with increasing emphasis on taking time to clarify all responsibilities, authorities and relationships.

### The Clarification Process

The key to the stimulation of continuing study of organization "theory" and practice comes from the clarification process. The usual way for conducting clarification is to meet in conference by organization groups and read, challenge and edit position descriptions so that every one in the group understands the authority, coordinating relationships and the requirements of communication between individuals and organization groups. The time and effort involved is considerable. The enthusiasm of those who have spent three to six days doing this provides ample evidence of the "pay off" in increased performance and results with high satisfaction to the board and all the personnel.

After spending weeks on activity analysis and position descriptions, a general manager, when told that the next

Eric A. Nicol has been associated with Rogers, Slade & Hill as a member of the Management Development Division for the past seven years. For the five immediately preceding, he was an operating executive with a meat packing company. His work in personnel administration extended over a period of 20 years and included the vice presidency in charge of personnel administration with a large wholesale and retail drug company, and personnel officer of public utility companies. During World War II he held such government positions as Administrative Consultant, Executive Office of the President; Executive Assistant, Labor Division of the War Production Board, and Lend Lease Administrator to Australia.

step was clarification, responded, "We've got to get back to our jobs some time. Our position descriptions are O.K. They have been agreed to by each one of us." He was finally persuaded to try it for one day. This manager, with his six staff members, started on a Monday morning. On the following Monday evening, with no one concerned about going back to their desks during regular hours, the group agreed that the six days had been "the most profitable session we have ever conducted." The manager reports after three years, that "the first clarification session made our greatest contribution to cross-department communication and coordination of team effort."

Managers now are saying, "It isn't enough to stop at the first clarifying session. It is a continuous job." One reported, "We find that the clarification sessions emphasize the need for well planned consultative management, working teams, more intensive training and information meetings, and more understanding of the concepts of delegation." Another stated, "Clarification is not only a separate activity; we keep it in mind in the discussion of standards and goals for performance appraisals, annual work programs and our general staff sessions. We find changes in responsibility and relationships grow out of these sessions."

### New Developments in Organization

The basic background for most of the new developments in management prac-



tices is provided by organization planning and development. The enlightening and valuable changes in emphasis have grown out of the "conceptual approach to organization." Progressive managers are aware of the need for something different and more far-reaching than merely the structural approach to organization planning. Charts are not enough, and position descriptions are only tools for serving the ultimate purpose.

To illustrate, one rural electric cooperative, with a well-conceived and clarified organization manual, took time out after three years' intensive application of modern management principles with unusual results, to make an appraisal of the present situation and needs for the future. The most important finding was the need for improvement in line and staff relations.

The manager was not satisfied to make improvements through the normal process of clarification alone. His analysis of the causes of the situation involved personal motives, assumptions (beliefs, opinions, convictions, generalizations) of human behavior, and personal desires that inhibited team relationships. In other words, the individual motivations and personal attitudes and concerns were stronger than group organization requirements.

A week's session of the top staff away from the office for review of objectives and free and frank discussion, on a problem solving basis, proved to be an educational experience, and established a climate of working relationships through what Dubin calls "Group processes by which working associates present a united front to the organization."\*

It is significant that an increasing number of rural electric managers are developing new points of view that result from a continuing study of organization.

Some managers are concerned about the effect of the decision process, communication, consultative management and other specific tasks of organization, on organization practice. The concept of consultative management, for instance, can be in complete conflict with organization practice confined to levels of authority.

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\* Robert Dubin in "Modern Management Theory" Edited by Mason Huire; John Wiley & Sons, New York.

Continuous study of all related areas of organization is paying dividends in performance, employee satisfaction and service.

#### Management Staff Services

Many managers of rural electric cooperatives have attended management institutes and became enthusiastic about management programs. They have gone back home and initiated changes themselves. Developing and establishing organization plans, new and broader policies, salary and wage administration, performance appraisal and other plans involved more work, understanding and skills than they anticipated. In some cases the manager is the most qualified person, and sometimes he believes he is the only one with the time and qualifications. In a few situations the manager, with only the help his busy and technical staff could provide, has done outstanding work and produced amazing results.

In most cooperatives, however, the manager has not found the results to be what he desired. Quite often a manager finds that the qualities and patience necessary for developmental and staff research work for management techniques is quite different from the qualifications necessary to be a manager and to provide the leadership and direction to develop management concepts and principles.

Department managers and others have a different viewpoint than the manager. They are reticent about admitting to the "boss" the need for help, nor can they get his time and help in a manner for which they feel the need.

Satisfying change for the manager comes when a person is employed with qualifications or potential for management staff services. He may be called staff assistant, assistant to the manager, executive assistant, or director of management services.

Boards and managers can be proud of the fact that rural electric systems have kept pace with other segments of American enterprise in understanding and practices of management. Continued progress will be made because there are boards and management teams that are alert to the need and will continue to broaden their concepts to keep pace with the constantly changing demands for management leadership.

# Decision-Making Process Featured in Newest NRECA Management Institute

A NEW tool designed to assist rural electric management personnel in better decision-making and to assist them in developing skills in the art and science of logical thinking is offered in the new five-day Institute VIII—a part of the NRECA Management Services' comprehensive executive development program.

This new program will feature a case study, running through the five days, which will give everyone the opportunity to apply the basic management skills to tough problem situations such as: a board unhappy with operations, two key employees quit, employees organize, seasonal members demand representation on board. These will challenge even the best manager.

Also, there will be new and practical material on the application of PODCC—Planning, Organizing, Directing, Coordinating, Controlling—developing an annual work program, utilizing a staff assistant, and effecting better communications. The program will keep one up to date with the latest system management practices.

This is the first five-day program offered by Management Services. To determine the reaction to this, as opposed to dual three-day programs, a survey was made of all the people who completed at least five three-day institutes. Of those surveyed, 82% preferred a five-day institute to the pair of three-day programs. Some typical comments were:

"Prefer the five-day which is less expensive for travel and hotel and will not lose continuity of program."

"Anyone who has taken Institutes I-VII should be able to manage to be away five days or he has missed the boat on delegating authority."

Ninety-one per cent indicated they would attend Institute VIII.

This program will be conducted by Tom Nelson, partner in the management consulting firm of Rogers, Slade & Hill, and Dave Faulkner, Management Services Consultant.

Institute VIII had its debut at Estes Park, August 1-5. It will be held at only three other locations:

Davenport Hotel, Spokane, Wash., October 10-15

Leamington Hotel, Minneapolis, Minn., November 28-December 2

NRECA Headquarters, Washington, D.C., December 5-9

## *management briefs*

### Fringe Benefits Need Study

INCREASING COSTS OF FRINGE BENEFITS in the nation's payroll have focused attention on the necessity of working out group hospitalization and allied health coverage at a time other than during the pressures of collective bargaining, a New York Blue Cross expert told a recent session of the American Management Association. Harry Becker, Director of Program Planning and Research of the New York Blue Cross Association, told employers' representatives that many American industries were discovering just how costly decisions made under the stress of the bargaining table could be. This indicates the need for real study and research in this important area prior to meeting to finalize these important fringe benefit programs.

Becker projected the following trends in this area:

a. Demands will grow for coverage during unemployment and prolonged disability.

b. Demands will grow for increased coverage for independent members of the employee's household, particularly for older school children or those unable to work because of mental or physical handicaps.

c. Higher salaried employees in particular, want as much of their health care costs as possible included in the programs financed by employers.

The trend, according to Becker, will be toward more comprehensive coverage programs that are paid entirely by management.



## *the labor front*

# Fair Labor Standards Act Affects Most Rural Electric Systems

by WALTER CLAYTON

Labor Relations Specialist, Rural Electrification Administration

**T**he Fair Labor Standards Act of 1938 applies to all REA electric borrower systems except PUD's and municipalities. The Act requires an employer to pay an employee who works more than 40 hours in a week at a rate for overtime not less than one and one-half times his regular hourly rate.

### Overtime Requirements

The act puts no limit on the number of hours that an employee may work in any workweek. If he is paid time and a half for overtime, he may work as many hours a week as he and his employer see fit. The act contains no requirements for the payment of overtime compensation except for hours in excess of 40 in the workweek. It does not require that an employee be paid overtime compensation for hours in excess of eight per day, or for work on Saturdays, Sundays, holidays, or regular days of rest. If no more than a total of 40 hours is actually worked in the workweek, overtime compensation need not be paid to comply with the Act.

### Fixed Workweek

An employee's workweek is a fixed and regularly recurring period of 168 hours, seven consecutive 24-hour periods. It need not coincide with the calendar week, but may begin on any day and at any hour of the day. For purpose of computing pay due under the Fair Labor Standards Act, the workweek may be established for the plant as a whole or different workweeks may be established for different em-

ployees or groups of employees within the plant. Once the beginning time of an employee's workweek is established, it remains fixed regardless of the schedule of hours worked by him. The Act takes a single workweek as its standard and does not permit averaging of hours over two or more weeks. The beginning of the workweek may be changed only if the change is intended to be permanent and is not designed to evade the overtime requirement of the act.

### Workweek Equivalent

If an employer hires an employee at a salary which covers a period longer than a workweek, such as a month, the period must be reduced to its workweek equivalent. A monthly salary is subject to translation to its equivalent weekly wage by multiplying by 12 (the number of months) and dividing by 52 (the number of weeks).

WALTER CLAYTON was trial examiner for National Labor Relations Board from 1941 to 1947. From 1947 to 1949 he did private management consulting. From 1949 to the present he has been Labor Relations Specialist for REA. In 1953, he received his Ph.D. degree in economics (labor relations) from Johns Hopkins University, Baltimore, Md. He is on the staff of the Graduate School at Johns Hopkins, and teaches labor relations in the School of Economics.





## National Labor Relations Board and Union Elections

All but a very few rural electric systems are now under the active jurisdiction of the National Labor Relations Board. This was a result of a 1959 amendment to the Taft-Hartley Act. Another change in the law conferred upon the Board authority to delegate to its regional directors the handling of representation cases, as well as employee elections for the purpose of choosing a bargaining agent or unseating one previously recognized. The regional director may conduct an election after a petition has been filed by the employees or any individual or labor organization acting in their behalf, or by any employer who has been served with a claim of representation from an individual or a labor organization. Once a petition has been properly filed, the Board has the statutory authority to determine the employees' choice of collective-bargaining representative. It also has the power to determine the unit of employees appropriate for collective bargaining.

### Certifying the Bargaining Agent

The Board may formally certify a collective-bargaining representative in a representation case only upon the basis of the results of a Board-conducted election. Once certified by the Board, the bargaining agent is the exclusive representative of all employees in the appropriate unit for collective bargaining in respect to rate of pay, wages, hours of employment, or other conditions of employment.

The act also empowers the Board to conduct elections to decertify incumbent bargaining agents who have been previously certified or who are being currently recognized by the employer. Decertification petitions may be filed by employees, or individuals other than management representatives, or by labor organizations act-

ing on behalf of employees, or individuals other than management representatives or by labor organizations acting on behalf of employees. Under the act, the Board requires that a petitioner, other than an employer, seeking a representation election show that the proposed election is favored by at least 30% of the employees. This showing must relate to the unit found appropriate.

The sufficiency of a party's showing of interest is determined administratively and may not be disputed at the representation hearing. The Board has often pointed out during the years that the reason for the rule is that "such issues can best be resolved on the basis of an election by secret ballot."

The Board has declined to permit attacks on the procedures employed in the prehearing investigation of interest showings, or to pass on allegations that cards supporting the challenged interest showing have been revoked or withdrawn, or that under the circumstances no showing of interest could have been made. The Board has made it clear that this rule is applicable to interest showings supporting any kind of petition, including decertification petitions.

### Exclusions from the Bargaining Unit

A bargaining unit may include only individuals who are "employees" as defined in the Act. The major categories expressly excluded from the term "employees" are agricultural laborers, independent contractors and supervisors.

The Act defines a supervisor as "any individual having authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward or discipline other employees, or responsibilities to direct them,

or to adjust their grievances, or effectively recommend such actions."

Employees in executive positions with authority to formulate and effectuate management policies are also excluded from bargaining units.

#### Time to Vote

The Act provides that if a question of representation exists, the Board must resolve it through an election by secret ballot. Election details, such as the time, place, and notice of an election, are left largely to the regional director. The Board does not interfere with the regional director's discretion in making arrangements for the conduct of elections except where the discretion has been abused. The test is whether the employees had an adequate opportunity to cast a secret ballot.

A voter must have employee status in the voting unit both on the applicable payroll date and on the date of the election.

In accordance with long-established policy, the Board has continued to direct that under ordinary circumstances elections be held within 30 days from the date of the direction of election.

#### Objections to the Election

Board elections are conducted in accordance with strict standards designed to assure that the participating employees have an opportunity to register a free and untrammelled choice in selecting a bargaining representative. Any party to an election who believes that the standards were not met may, within 5 days, file objections to the election with the regional director under whose supervision it was held. The regional director then makes a report on the objections. The issues raised by such objections and exceptions, if any, are then finally determined by the Board.

#### Court May Award Back Pay

During its 1959-60 term the U. S. Supreme Court ruled in **Mitchell vs. DeMario Jewelry Company** that when Federal Courts order reinstatement of employees discharged in violation of the Fair Labor Standards Act, they may award back pay.

One Fair Labor Standards Act provision forbids discrimination against workers for filing complaints under the law. Another provision authorizes the Secretary of Labor to bring actions to restrain violations. This provision makes no mention of back-pay awards, and it specifies that in in-

junction proceedings the Federal Courts may not award unpaid minimum wages or overtime. But the Supreme Court ruled that a back-pay award to a wrongfully-discharged employee involves neither unpaid minimum wages nor unpaid overtime.

#### Labor-Management Reporting Act Requirements Affecting Rural Electric Systems

On May 14, 1960, the Labor Department's Bureau of Labor-Management Reports issued the new employer-reporting regulations and forms. An employer must file reports if he makes payments or loans of money, or other things of value, including reimbursed expenses or any promise or agreement for such payments to any labor organization, union officer, agent, shop steward or other union representative or employee. Employers do not need to file reports of salaries paid to regular officers or employees for their services as regular officers or employees.

The Department of Labor defines a labor organization as "any organization of any kind, and agency, or employee representation, committee, group association, or plan . . . in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning wages, rate of pay, hours or other terms or conditions of employment." It also says that employee committees which regularly meet with management to discuss problems of mutual interest and handle grievances are "labor organizations," even though they have no formal organizational structure.

An employer must file a report if it makes an agreement or arrangement with a labor relations consultant or similar person or organization where an objective is to persuade employees to exercise or not to exercise the right to organize and bargain collectively through their own representative.

#### Utility Wage Surveys Available

The Bureau of Labor Statistics, Department of Labor, regularly conducts area-wide wage surveys in a number of important centers in the United States.

During 1959-60, the Bureau released survey reports on occupational earnings in 30 major labor markets. Individual bulletins are issued for each of the areas. Most of the bulletins contain, in addition to occupation averages, data regarding distributions of workers by earnings, classes

and summaries of work schedules and related wage benefits, paid holidays, paid vacations, and health insurance and pension plans. Separate data are shown, wherever possible, for the major industry groups included in the study: manufacturing, public utilities, finance and services, the bulletins also contain job descriptions of different occupations.

You may write the Bureau of Labor Statistics, U. S. Department of Labor, Washington 25, D.C. for the study nearest to your area.

## Management Services Staff Strengthened

Thomas W. Smith, who joined the NRECA Management Service Staff on August 1, will greatly add to the strength of the department's consulting and training services.

Tom worked with the Arkansas Rural Electric System a number of years ago on a series of office management programs while serving as Associate Professor of Management at the University of Arkansas. We expect Tom to be especially effective with board groups. Even though his advanced academic training and responsible experience in University and Industrial work has taken him to many places, he still retains the rural background of his childhood.

### Clyde Ellis, His Pupil

Tom has his undergraduate degree from Missouri State College at Cape Girardeau, Mo., and a Master's Degree in Personnel Administration from the University of Colorado at Boulder. He also has completed all his classroom work for his Ph.D. in Personnel Management, and taught management at both the University of Colorado and Arkansas. While teaching at Arkansas, Clyde Ellis was one of his students in the summer of 1955. Mr. Ellis says of his teaching: "Not only did I regard Tom Smith as an outstanding instructor, he sold me completely on the concepts and value of scientific management."

### Industrial Experience

Tom Smith, before joining NRECA, was Senior Assistant, Development and Training, for the Kroger Company, Cincinnati, Ohio. In this position he was responsible for management development and training for middle and upper management, super-

vising a staff providing management consulting services for the 28 divisions of Kroger. While at Kroger, Tom attended many advanced training sessions to keep pace with accelerated management technology. These included: National Industrial Conference Board sessions on Conference Leadership, Cornell University sessions for training directors, National Training Laboratory in leadership development; and two American Society of Training Directors' sessions.

Tom Smith says in facing the challenge of helping provide the best management training and consulting services for the rural electric systems: "I am really looking forward to working with the NRECA program. To me it offers a challenge and an opportunity to work for an organization whose purpose I believe in. I am eager to work with the people in the co-ops and be of positive assistance in operational and administrative problem areas."



## management briefs

### How Vital Human Relations?

MANY MANAGERS ARE IMPATIENT when it is suggested they concern themselves with the study of human relations. They believe it is enough for them to understand the economics of the system, to be proficient in analyzing the cost picture, to devise better equipment or to improve the load factor.

Yet actually the largest portion of the manager's time and effort is spent dealing with people, utilizing human relations, struggling with problems of morale and cooperation.

When we consider the frictions and problems in our industrial society, the turnover and absenteeism, low morale, poor cooperation, we cannot help but question such "aloof" attitudes.

To deal with these problems effectively, the manager must recognize that his organization involves problems of human relations as well as economic, technical and legal ones.

# The Cost-of-Living Index

By ARNOLD E. CHASE

Chief, Division of Prices & Cost of Living,  
Bureau of Labor Statistics,  
U.S. Department of Labor

(Editor's Note: -We have received many requests for more information about the Consumer Price Index which is receiving increasing attention in rural electric labor negotiations and also in many wage surveys. What is it, what is it based on and what is happening to it? We hope this article will help.)

**W**HILE the public generally finds statistics drab and undigestible there is one statistic which is of great interest to almost everyone. It is the Consumer Price Index, more popularly known as the "cost-of-living index," compiled by the Labor Department's Bureau of Labor Statistics. Reports on this index appear monthly in almost every newspaper in the country, and many editorials and analytical articles are written about its current trends.

Usually, the index moves up or down by only a fraction of 1 % from one month to the next, which means that it costs only a few dollars more, or less, per month for a family to maintain its level of living. The change in its cost-of-living from month to month usually amounts to less than \$5 for a typical family. Of course, even this amount, if it is an increase, can represent a real hardship for a low-income family.

## Income and the Cost-of-Living Index

The problem of "making ends meet" becomes especially difficult when, as during the years since World War II, consumer prices have gone up a large part of the time, and in some months by more than 1%. By July 1960 the Consumer Price Index had reached an all-time high of 126.6% of the 1947-49 average. This means that it took \$126.60 in July to buy the same level of living that could be bought for \$100 on the average during the years 1947 to 1949.

Since 1939, just before World War II, the cost of living, as measured by the Consumer Price Index, which does not cover income taxes, has more than doubled. It took \$213 in June 1960 to buy quantities and qualities of consumer goods and services equivalent to those that could be bought for \$100 in 1939. Those whose net incomes have kept pace with the rise in

the Consumer Price Index are just as well off as they were before, obviously. They merely are handling more money to obtain the same supply of goods and services.

A majority of families, in fact, are able to enjoy a higher level of living than they did a decade ago, because their incomes have increased more than consumer prices. This is described as a rise in "real" income, that is, income adjusted for the change in prices. However, there always are some families and individuals whose incomes do not keep pace with price increases, including those living on pensions, annuities, or other types of fixed incomes. It is for these people, many of whom are elderly, that the consequences of accumulating price increases are most tragic.

Strictly speaking, the Consumer Price Index measures price changes only for urban (city) families whose heads are wage earners or clerical workers. It does not apply specifically to farm families, or urban families engaged in other occupations, and at present it does not reflect price changes for single workers. A proposal is under consideration, however, to extend the coverage to include the latter group.

## "Market Basket" Differs

While the index may indicate in a general way the trend of living costs for the types of families not specifically covered, it is not a precise measure of such trends. This is because the "market basket" priced from month to month includes goods and services in the proportion bought by city wage-earner and clerical-worker families, and prices are obtained in stores where these types of families shop. These goods



and services include food, housing, apparel, transportation, medical care, personal care, and reading and recreation involving some 300 items in all. The typical market basket of a farm family will differ somewhat from that of a city family, inasmuch as farmers customarily grow a part of their own food supplies, and their purchases of other items will reflect differences in their manner of living and working. Likewise, the way in which the family of a doctor, or a corporation executive, customarily spends its money can be expected to vary from that of a wage-earner or clerical worker because of differences in their living habits.

The market basket priced for the Consumer Price Index, as it now stands, includes proportionate representation of various consumer goods and services reflecting the buying habits in 1950 of urban wage-earner and clerical-worker families only. A new survey is now being undertaken to find out the buying habits of all types of urban families in 1960 and 1961. It is important to realize that, until this survey is completed and the Consumer Price Index is revised in 1964, the level of living represented by the market basket priced for the index is essentially the same as that which actually existed in 1950. In other words, the level of living represented by the Consumer Price Index is held unchanged between major revisions of the index. Only price changes are reflected in the index. This is why it is officially named the Consumer Price Index.

#### Raising Our Standard of Living

When most of us think of the cost of our living, we are thinking in terms of the total amount of money it takes to provide the things which we have become accustomed to having and the commitments we have made. We tend to forget that we are constantly striving to raise our levels of living, and the majority of us succeed. Consequently, it takes more money to cover

Mr. Chase has been with the Bureau of Labor Statistics, U. S. Department of Labor, since 1935 with time out for service in the Army during World War II and also for a brief period with the Department of Commerce and the Department of Defense. As Chief of the Division of Prices and Cost of Living, he is responsible for the consumer price index, the wholesale price index and the consumer expenditures surveys.

the costs of all the things to which we have become accustomed, unless prices actually decline. It is the exceptional family that it would be happy today with the same level of living it had in 1950. Thus, an increase in income just sufficient to cover the advance in consumer prices since 1950 would now seem to most families to be inadequate.

The median income of non-farm families is estimated to have risen by about 60% since 1950, while the Consumer Price Index has advanced by 23%. As a result, a non-farm family with an average income today is able to enjoy a level of living nearly one-third higher than that of a family similarly situated ten years ago. Many families have not done so well, of course, and others have done better. However, many families have achieved this higher level of living by having more than one source of income; for example by having the housewife take a job outside of the home, or the husband take a second job.

#### Signs of Stabilization

In recent months, the Consumer Price Index has shown a tendency to stabilize, except for seasonal increases in food prices. As food prices turn down seasonally this fall, there is a good possibility that consumers may begin to enjoy a period of relatively stable living costs resulting from the strong competitive situation that has developed in many markets.

### Help for the Office

**A** pamphlet on office standards and planning can be obtained without charge by writing the Art Metal Construction Company, Jamestown, N.Y. This booklet contains valuable information on filing methods, office layout, records retention, handling office mail, and how to increase office productivity.

A work simplification kit can be secured free from the Remington Rand Corporation office nearest you. This kit contains layout leaflets, task lists, work distribution charts and flow process charts . . . all essential to the initiation of the work simplification program.



# management improvements

## Metal Salvager

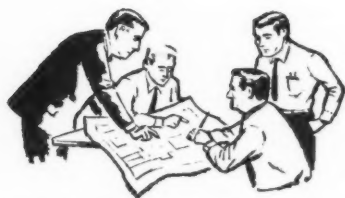


A wire scrapping machine, which quickly separates copper from the matching steel strand or insulation and is equally effective on an aluminum conductor, has been developed by Line Superintendent Samuel Berkey of the Tuscarawas-Coshocton Electric Co-op at Coshocton, Ohio.

This device, according to inventor Berkey, feeds the scrap wire through a pair of hardened steel pressure rollers which are rabbet grooved. This action squeezes the insulation from the weatherproof wire or neoprene from the aluminum conductor. After removal of insulation, a plunger type shear cuts the conductor into the desired lengths—usually three inches.

The shear causes copperweld to untwist, allowing the steel strand to be easily separated by magnetic action.

The advantages of this unique scrap processing machine, according to designer Berkey, are many. He emphasizes that, through this ingenious method, much higher prices are received from the segregated processed scrap. All types of conductors — including ACSR, copperweld, solid, stranded, weatherproof and neo-



prene insulated wire—may be handled by this machine. Other advantages, he says, include substantial savings in warehouse and handling costs.

Superintendent Berkey says he is willing to share his money-saving idea with any other co-op superintendent who will write him for design sketches and specifications.

## That Synthetic Voice

An automatic telephone answering device improves service, according to Ted Anderson of the Intercounty Electric Association, Mitchell, S. Dak.

"The problem of routing trouble calls to the proper personnel after regular working hours is one that has caused considerable concern," he states. "Due to the rotation of personnel on this assignment, it has often been necessary in the past for members reporting outages to make several calls before being able to contact the person to handle them. This leads to confusion and some delay in dispatching the proper personnel.

"In our search for a better method of handling emergency calls after hours, we found that the Telephone Company could supply an automatic answering device which could be utilized to direct any calls received after hours to the proper personnel who are on standby at the particular time. The device is hooked-in to receive incoming calls with a recorded announcement stating that 'if you are reporting trouble with your electrical service, please call Mr. \_\_\_\_\_ at No. \_\_\_\_\_ or Mr. \_\_\_\_\_ at No. \_\_\_\_\_.' Up to date information is dictated on this machine so that the caller is advised as to the current number to contact in the event of an outage or emergency.

"The cost of this equipment rented to us by the Telephone Company is \$12.00 per month."

Manager Anderson, who has used this device very successfully, feels that the device has effected some savings in the handling of outages and other emergency situations.

# International Professional Society Fosters Better Office Administration

By W. T. CAVANAUGH

Executive Director

National Office Management Association

**P**ROVIDING a mechanism for the exchange of ideas and research for improved office management, the National Office Management Association is an 18,000-member international professional association.

Representing all segments of the business economy, its members come from administrative posts in offices ranging from mammoth complexes of 12,000 to 15,000 employees to those having from but five to ten employees.

## Members Share Benefits

Regardless of country of origin (National Office Management Association includes members from many countries besides the United States and Canada), type of business, or size of operation, every member shares in its education and training programs. These programs include continuing research and study in the field of office management, publications, extension courses, and seminar programs.

The **Office Executive**, official publication of the association, carries from 75 to 100 articles annually on various phases of office management—each of which is authoritative and practical. The publication also carries news items involving personalities and events of a "spot news" nature on accomplishments in the field of office administration.

**Technical Quarterlies**, making its appearance in August, is published on a monthly basis and covers personnel, office services, office systems data processing.

## Office Operation Guides

NOMA guides for office operations are part of a series containing the philosophies and principles underlying the whole field of office administration.

**Office Management Handbook**, a compilation of the most authoritative information in the field, edited by nationally known specialists, is published by the association in conjunction with the Ronald Press Company. It is a valuable handbook for every rural electric office.

The McGraw-Hill Book Company, in collaboration with the association, has developed the "Management Bookshelf" series. This authoritative series of publications includes books on forms design, office short cuts, office methodology, and many other vital subjects.

NOMA is recognized as a leader in research. Of particular interest is its Wage and Salary Survey which is completed annually to include employers in major labor areas in the United States and Canada. The annual "Employee Fringe Benefits" study is an authoritative guide to the "non-take-home" pay of office workers.

Each year NOMA publishes a bibliography which is recognized as a guide to the best reading in office administration. The Inquiry Service is, perhaps, the most personalized of all with more than a thousand inquiries annually being processed on a personalized basis for each correspondent.

## Home Study Correspondence Courses

NOMA also sponsors, in conjunction with Temple University, a series of home study correspondence courses on all phases of office management which is of primary value to those whose place of employment may be removed from large educational centers and who wish to keep their personal self-development at a high level through continuing study.

International conferences provide still another source of information and an avenue for the exchange of ideas.

NOMA has worked closely with NRECA in the development of its office management workshops. Many rural electric office managers already belong to NOMA.

It is truly the outstanding source of information about the rapidly changing office management field, a sponsor of the intimate and continuing relationship and fellowship between those engaged in the science of office administration. The association has contributed materially to improved working conditions in the office and to employee morale.

# Making More Effective Use of Human Resources

By EDWARD M. RYAN

Editor, Management Publications, The Dartnell Corporation, Chicago, Ill.

**T**HE superintendent of a small Ohio paper company nearly drowned some time ago. He wasn't swimming for fun, either. He was on the job, doing what he thought was part of his work. Here's how it happened.

There is a small canal in back of the plant that supplies the water. Most paper manufacturing concerns are built by water. This particular source had an unhappy faculty of getting clogged up at the point where the water was piped into the building. This particular morning the pipes were badly clogged, and there was little or no flow coming in. Production was thus bogged down, too.

Hearing of the problem, the superintendent ran outside and dived into the canal in an effort to remove the debris from the pipe opening. He got caught below the surface of the water, and it took two men, who risked their own necks, to get him out.

Sounds pretty foolish, doesn't it? But the incident actually happened. While it was an extreme case, and it is unlikely that many executives would do the same thing, it does bring up an important point. In the case of the Ohio company, there was a maintenance crew whose responsibility covered things like clearing those pipes. The superintendent wanted to get the job done fast, so he tried to do it himself.

## Using Human Resources

Loyalty to one's job and a sincere desire to get it done in the best possible way are fine characteristics. But no one can do it all himself. The better executives and supervisors have long since learned the art of delegation—how to use the talents and abilities of others in the best way to get a maximum end result.

Why is it that we often don't get the most of the human resources that are at our command? Why is it that one coach can get maximum output from his baseball team and another, having men of equal skill and ability, can't? Basically, there are 13 reasons involved. Following are very real and important factors why

many subordinates have a complacency about their work—lacking that spark to be a self-starter so desired by today's managers.

1. Lack of job understanding.
2. Failure to understand his contribution to the overall result.
3. Inability to get social satisfaction as a member of a work group.
4. Poor and leaderless supervision.
5. Poor selection and training techniques for new workers.
6. Inability to satisfy creative ideas.
7. Lack of recognition of individual skills on the job.
8. Has no knowledge of company goals or objectives.
9. Doesn't know how good work will benefit him financially, personally, and economically.
10. Does not feel personally responsible for his work.
11. Loses his identity in the production line.
12. Ashamed of his job title.
13. Thinks company has poor community reputation.

Quite a formidable list, isn't it? And it is even more vital when you realize that not all of the reasons mentioned stem from inadequacies in supervision somewhere along the line. Each reason detracts from the performance of the individual and thus lowers the human resources at the command of the supervisor.

## Motivating for Top Results

What creates the will to work? Let's backtrack a moment and think it out. In the first place an employee comes to your organization to get a job—to trade a certain number of hours per day and some effort for a given number of dollars. Agreed? That's all well and good. But the trouble is: How much effort should an employee put into work in order to give the rural electric system a fair shake and how do you get the employee to give this effort to the rural electric system? A wag recently observed, "The reason today's dollar won't do as much for a person as



it used to is that today's person won't do as much for a dollar as he used to."

There have been a lot of scientific studies made on this big and important subject of motivating people to use their human resources. Today, it is generally agreed, the problem of employee motivation rests on the shoulders of supervisors and managers—where so many other responsibilities rest. According to recent findings, high productive output and job satisfaction result from leadership that tends to delegate some authority and responsibility to members of the work group and give group members more freedom of action.

The group leader, be he a baseball manager, executive, or head of a Cub Scout pack, sets the climate for motivation. The latest studies show, too, that low productive output goes along with supervision that is inclined "to put the pressure on" for greater production, supervision that wields the whip.

#### The Human Relations Angle

An understanding of people, of their problems, and a sincere interest in them is essential to successful group motivation. Perhaps one of the most practical, yet penetrating explanations of motivation comes from Walter E. Elliott, head of the management consulting firm which bears his name. He says, "While a lot of managers don't really and truly realize it, they are supervising individuals rather than a work group. This has the effect of preventing the group from feeling the team spirit, from working together as a unit. It prevents that good feeling that can only exist when a body of people work together in a common cause to reach common goals."



Elliott concedes that there naturally are individual problems that must be handled with certain subordinates. "But," he insists, "the successful modern leaders keep the climate as a group effort rather than individual."

We mentioned the 13 reasons why employees fail. Ask yourself the following five questions to see where you may have contributed to those failures. Be objective and honest with yourself.

- Do I ever ask my subordinates for advice, counsel or help on matters where they may well provide such assistance?
- Do I have group or staff meetings to discuss mutual problems and plans for the department or organization?
- Do I make it a habit to give recognition to those subordinates who have done well?
- Do I set the "we" climate to attain mutual goals?
- Do I try to do it all myself (like the Ohio paper executive) when I can get ready and willing cooperation from the group?

These are all questions that should have been answered affirmatively with the exception of the last one. One further precaution—when you say "we" to a subordinate, make sure he understands that you mean "we, the group" rather than "you and I."

#### What Is a Good Supervisor?

Recently I heard a definition of a supervisor. It proclaimed, "A supervisor is part salesman, part clergyman, part Solomon, and part magician." I disagree with this

Mr. Ryan is editor of employee, supervisory, and office administration information released by the Dartnell Corporation. He is past member of the board of directors, Chicago Chapter, NOMA; past vice president of the Cincinnati Sales Executives Council; and past president, Management Forum of Chicago.

Before joining the Dartnell organization, Mr. Ryan was co-director of the management consulting firm, Elliott and Ryan Industrial Services, Cincinnati. He has taught lecture courses on supervision and management in two universities and has written many articles that have appeared in numerous business publications.

definition—too many other important factors are left out.

But there is one definition—rather long. I will admit—that sticks in my mind as one of the most profound and all-encompassing I have ever seen. It was given me some years ago by Charles R. Hook, chairman of the Armco Steel Corporation. Asked what kind of a man he felt would be a successful leader, Hook, drawing on his many years of shop and executive experience, replied:

"I would want a man who understands what the word 'management' means, a man with a sense of purpose, who has a spirit of cooperation, who understands himself and can motivate others. He must be a man of faith who can develop faith in his people, and he must be honest unto himself and others.

"I would want a man who can organize and plan for the present and for the future—a man whose mental ability is put to full use who is tolerant of the failings and weaknesses of his fellow men and can get along with all types of people. I want a man who is thrifty and cost-minded, who has an inner sense of perseverance and keeps his emotions under good control.

"I want a man who is a leader and has his eye on positive, attainable goals he can reach through his own initiative, and abilities that will carry him to the top . . . that's my definition of a successful supervisor."

#### **Cooperation and Responsibility**

Hook has spelled out a big order in his definition. But then, nothing that is truly significant is usually very simple. Best way to match up is to personally review yourself in relation to each point brought up.

"If I ever saw my whole job piled up in front of me, I'd give up," said an executive recently. Another executive quickly replied, "I once piled it up in front of me and then boiled it down to something I could work with. Made the whole job easier, too." Same thing goes for matching Hook's list of supervisory traits. Managers have jobs that look mighty big in detailed listings, but when they are boiled down to the principal ingredients, the jobs can be done with no more than a normal amount of work and thought.

For instance, a large company this year sent its managers and department heads a summary of responsibilities. Along with it was a note, pointing out that meeting these responsibilities reduced a manager's work load of detail and allowed him to get more out of the human resources before him. It is the details that bog you down. Check yourself out on the following and you'll be taking one giant step toward more successful leadership and executive development. That should be important to you.

**Maintain good human relations**—Employees are our most important assets.

**Run your department as if it were your own business**—You have a responsibility to turn your work out on time, within the cost and quality limits.

**Cooperate with other managers**—Competition is the spice of business. But cooperation is what gets the work done.

**See that planning is carried out**—The rural electric system's success and the security of all jobs depends upon your carrying out the plans of management to the best of your ability.

**Make your own decisions on affairs that affect your department**—All the rules, policies, and programs that may be set forth will never relieve you of making decisions. They are part of your job.

**Recommend better ways to do things**—Improving methods and systems is also your responsibility. Watch for chances to improve on present ways of doing things. Don't hesitate to suggest changes.

**Control those costs**—When you see a chance to shave a cost downward, leap at it. This includes loss of time, effort and material.

**Build up your subordinates**—They are your human resources for getting things done. Develop your people so they, too, can move up the ladder to better jobs when they are qualified.

Does it all sound like a lot to do? Maybe it is. But once you've met all of the points and suggestions outlined herein, you'll be working in good company—using the techniques, practices, and policies that distinguish great leaders from the run-of-the-mill type. You'll be tapping your own human resources and those of your subordinates. From such resources, great things will come.

## Lineman's Wages Up

The 14th Annual Wage Survey issued in August, 1960, by the Northwest Public Power Association covers 99 electric systems (cooperatives, municipals and public utility districts) with 5,353 employees in Alaska, Washington, Oregon, Idaho and Montana.

According to the survey, the journeyman lineman's "nominal hourly rate" is now \$3.37, an increase of 15¢ an hour or 4.66% over the previous year. The cost of fringe benefits also increased from 82¢ an hour to 89¢ an hour, and total labor

costs, wages plus fringe benefits, from \$4.04 an hour in 1959 to \$4.26 an hour in 1960, or 5.45%.

During this same period, according to the survey, the cost of living increased 1.46% which leaves the journeyman lineman with an increase in "real wages" of 3.99%. Although journeyman lineman's wages are higher in the Northwest than most other areas, the significant trends pointed out in this comprehensive survey affect most areas. Copies of the survey may be obtained from Northwest Public Power Association, 212 West 13th Street, Vancouver, Wash.

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## BANKERS PAY

A new approach to collection of electric accounts whereby consumers may have their electric service bills processed directly by the bank of their choice for payment without ever handling the bills themselves has been developed by the Runestone Electric Association at Alexandria, Minn.

The plan was first put into effect in March, 1958, as an experimental measure in cooperation with area banks. It met with such enthusiastic response from consumers and banks that within a year 21 area banks were participating.

This service is offered to Runestone's members on a no charge basis and operates as follows:

First, the consumer authorizes the association to send his electric service bill directly to one of the participating banks in which he has a checking account.

Second, he authorizes the bank to make payment directly to the association from his account with the bank.

From this point on, the members' bills are automatically paid monthly. At the end of each month the consumer receives a receipted copy of his electric service bill with his regular bank statement.

Manager Joseph O. Perino of Runestone Electric reports that this system has several advantages from the cooperative's point of view. Since all bills for any given bank are mailed at one time there is a saving in postage. It also cuts down the time previously spent in processing

and recording individual collections.

From the member's standpoint even more advantages can be pointed out. It completely relieves him of the responsibility for meeting the payment deadline and eliminates the possibility of being assessed a penalty for late payment. In many cases it saves him a rush trip to the nearest pay station each month.

Bankers also are pleased with results thus far. Most of the banks concerned had been acting as collection agents for Runestone before the plan was put into effect. As one banker put it, "Instead of making 75 separate transactions over a period of two weeks, we now process more than 100 bills in about two hours." According to another banker, several of his customers have been prompted to open new checking accounts in order to participate in the plan.

A cost analysis of the plan when it was put into effect showed that the Association could afford to pay the banks for processing the bills at the rate of 10¢ per item. This was the average cost of sending a statement to an individual plus bank charges incurred on out-of-town checks. The biggest saving comes in time. Time spent previously making individual cash collections over the counter or through the mail can now be spent on more productive work.

"All things considered," Perino reports, "we feel that this is a worthwhile service for our members."

# *the board room*

## How Are We Doing?

**F**OR MANY YEARS rural electric boards have been concerned about determining objectives, planning expansion, establishing policy and achieving financial stability.

One of the major concerns of a rural electric cooperative board of today is control. There must be control for growth and guidance to keep on course. Control does not mean breathing down the neck of the manager and key employees, evaluating the wisdom of each minor expense item, nor spending time in the board meeting going over the list of bills paid.

It does mean measuring end results against what you want to achieve. In order to do this there must be goals or standards by which to measure. These goals or standards must be challenging and yet reasonable and attainable.

### **Yardsticks Needed**

Since a board has only limited time for its many deliberations, it must have measuring sticks or yardsticks by which it can easily measure, each month or each quarter, what is being accomplished toward the attainment of the goals.

We might call these measuring sticks "key indicators"—a measure that quickly tells the board how the electric system is doing and tells it in time for the board to take action—to replan—if that replanning appears necessary.

These key indicators require much thought in their design. What the board needs is a few measuring sticks, ratios, or graphs that quickly and understandably tell them how they are doing. For instance, there are two key indicators that tell a dairy farmer how he is doing. These are, first, how many pounds of milk are being produced per day per cow and, second, what is the total production cost per pound of milk.

It is evident that if the farmer knows only these two things, each week and each month, he has a clear understanding of

how he is doing. All of the detailed items of cost and production are brought together in these two simple answers. If a rural electric board has answers to similar questions, or key indicators, from time to time in each area of performance, then the board has adequate control information.

### **Which Areas Are Important?**

Therefore there should be several yardsticks, or key indicators, for each area important to a successful operation. The board member requires measurements that quickly indicate to him how the electric cooperative is doing in financial standing, in the stability of power supply, in the training and development of employees, in the attainment of member and public understanding of the cooperative's objectives, in the present and potential growth of power use, in the continued productive results that should be brought about in efficient management of man power, materials and money and, finally, in the achievement of high standards of service.

An important concern is maintaining proper balance between these various areas so one is not over-emphasized to the neglect of the other. Certainly it is not wise to attain maximum cash reserves and at the same time reduce maintenance expenditures which could adversely affect the quality of service. Neither is it desirable to build up a huge cushion of credit on the REA loans and not conduct a continuous dynamic member information program to bring understanding of the cooperative's objectives and more efficient, profitable use of electric power.

Marching forward in all of these areas of performance is essential to balanced achievement. Control consists of measuring the progress being made and recognition of the proper balance of progress in each area of performance or achievement. A mass of detailed reports is not necessary—in fact, is undesirable. What is necessary is to have answers to key questions or key indicators that are meaningful



and understandable brought to the board regularly and at stated intervals. From these, comparisons can be drawn and judgments made.

#### How To Do It

Once the board decides it wants periodic reports on all these areas vital to a successful operation, the manager, with the help of his staff, could develop the measurements or key indicators of how well the cooperative is doing in each area, as well as a schedule of how often and when he believes he should report to the board on them. He should strive to report to the board on a few every month—probably no more than eight to ten in any one month.

This has the advantage of adding variety to the manager's report to the board, since different items will be reported each month. But during the course of the year the board will get a report on the end results in all these important areas, not just the financial results.

In one cooperative, the schedule of what the manager will report to the board on one of their key performance areas, member relations, looks like the chart below.

There are only six key indicators which this manager uses to report on the health of their member relations. On all except one he only reports to the board yearly.

This method of reporting to the board

could be worked out in your own cooperative by having the manager prepare such a schedule of indicators or measurements, for each key performance area. Once the board has considered whether this gives them the information they need on the total operation, they will have reports which have variety and provide the information they need to know.

The formation of responsible judgments is probably the major function of a present day rural electric board. The formation of these judgments can only be done with the proper control information.

### Increased Travel Insurance

MOST EMPLOYERS are providing their employees who are required to travel as part of their job with the necessary insurance coverage to protect them and their dependents, as has been disclosed by a recent survey of the National Industrial Conference Board.

According to this survey three out of four employers provide adequate travel insurance coverage to their staff who travel. This is contrasted to the 1956 figures which showed only two out of three providing such coverage.

The survey shows most companies provide larger benefit levels as well as more comprehensive coverage.

### MEMBER RELATIONS KEY INDICATORS

- A. Analysis of consumer complaints received
- B. Member understanding of goals, objectives, policies, plans and programs
- C. Appraisal of effectiveness of member meetings
- D. Appraisal of effectiveness of employee contacts
- E. Appraisal of effectiveness of Minuteman Program
- F. Appraisal of effectiveness of member publications—newsletter, statewide paper, annual report

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
A							A				
								B			
						C					
				D							
					E						
									F		



# Employee Attitude Surveys

By DAVID FAULKNER

Management Consultant, NRECA Management Services

**W**hat do your employees think about your cooperative as a place to work?"

"Do your employees like their jobs?" "What do they think of their supervisors?" These and many other questions concerning attitude and morale bring valuable answers to rural electric system management. Let's take a look and see what employee attitude surveys are all about.

Attitude surveys are designed primarily to mirror the thoughts and feelings of employees concerning their jobs, the cooperative—its policies and practices—with particular emphasis on the members of the management group.

## Written Questionnaire

There are two basic types of surveys and the most widely used is the written questionnaire. Almost without exception, the written questionnaire consists of a series of prepared questions that require checked answers or yes-and-no replies. Many questionnaires give the employees an opportunity to write out explanations of their thoughts and opinions.

Example of a written questionnaire:

1. If you had an opportunity to do the same kind of work for the same pay **in another work group**, how would you feel about moving?  
☐ I would want very much to move.  
☐ I would rather move than stay where I am.  
☐ It would make no difference to me.  
☐ I would rather stay where I am than move.  
☐ I would want very much to stay where I am.
2. At the present time, are you doing the **kind of work** you are most qualified to do for the cooperative?  
☐ Yes  
☐ No

## Interview Method

Less widely used is the interview method. Here a skilled interviewer attempts to probe the opinions of employees during personal interviews.

Almost all attitude surveys are con-



ducted on a confidential basis. That is one of the primary reasons why the results are generally accepted as reliable. In some instances, the survey objective is to determine employee attitudes toward specific conditions or practices relat-

ing to the job. But in most, a wide variety of topics is explored.

According to the National Industrial Conference Board, many people have confused employee attitude surveys with public opinion polls used to predict political election results. There are several reasons for this confusion:

1. The methods of collecting the desired information are similar; in both the attitude survey and the public opinion poll, specially trained pollsters set forth to find out the opinions, feelings and attitudes of groups of people.
2. Many individuals use the term "opinion poll" for both kinds of surveys.

The two should not be confused. Their purposes are different and it is this basic difference that affects the reliability of the interpretation of the results. Unlike the employee attitude survey, the public opinion poll that attempts to predict the outcome of elections is not concerned solely with finding out current opinions and attitudes. It must go beyond that into more hazardous territory. The public pollster first must guess the number of people who will actually vote on the day of the election. Then he must go further out on the limb by guessing what changes in attitude will take place as election day draws closer.

In an employee attitude survey, the participants are asked about their current attitudes. They are rarely, if ever, asked to

say what they will do about this or that at some future date.

#### Why Should a Cooperative Take a Survey?

Most of the surveys analyzed recently have been designed to secure information which will guide companies toward the following three objectives:

1. To develop a program of communication between management and employees.
2. To audit or inventory management policies and procedures.
3. To aid in the planning and development of a program of management training.

The major contribution of an employee opinion survey to the development of an improved program of communications is through the answers to these four questions:

1. How much do employees know about the rural electric program, their jobs, their cooperative, its services and problems, its fringe benefits and employee development programs.

In one cooperative 96% of the employees knew that the Federal Withholding Tax was the largest deduction from most employees' pay checks. On the other hand, only 10% knew the net margins of the cooperative and only 4.6% knew the capital investment per employee.

These results indicate there are many gaps in the facts known by employees in spite of programs in existence for giving information to employees. Since the correct answers to the questions asked on the survey are always made known to the employees, it may be assumed that the survey itself will help correct some misunderstandings and help employees learn additional facts about the cooperative.

2. Through what channels have employees been getting most of their information?
3. Through what channels would employees prefer to get most of their information?

In order to appraise the various media of communication, this section may have two questions. The first question reads: "I get MOST of my information about our company from. . ." followed by a list of the media of communication which have

Prior to coming to NRECA, in 1959, Dave Faulkner instructed management courses at the University of Tennessee, in Knoxville, at the University of North Carolina in Chapel Hill, and at Syracuse University in Syracuse, N. Y. From 1957 to 1959, he was Director of Management Development for Combustion Engineering, Inc., Chattanooga, Tenn. Academic achievement includes a Bachelor's Degree in Business Administration at New York University, New York City and a Master's Degree in Business Administration from Cornell University, Ithaca, N. Y.

been used by the company. Each employee is asked to check only one item. This question is followed by a parallel one: "I would PREFER to get most of my information about our company from. . ." followed by the same list of media.

Below is the result of one company's survey. The column headed "Now" refers to how the employees get most of their information at the present time, and "Prefer" shows the results of the second question as to how employees prefer to get most of their information.

#### SOURCES OF INFORMATION

	Now	Prefer
Bulletin boards	8.1%	9.0%
Company magazines	20.5	12.4
Group meetings	11.0	31.2
Talks with supervisors	14.9	20.3
Company letters to employees	15.6	19.7
Annual Report or sound slide film	9.3	4.7
Fellow employees	17.2	0.7
Newspapers	0.4	0.0
General public	0.5	0.0
No answer	2.5	2.0
	100.0%	100.0%

4. On what subjects do employees want more information?

To secure this information, the questionnaire may include a question such as, "How do you feel about the amount of information your cooperative gives you on. . . ?" followed by a list of items which have been or might be included in the programs of communications. For each subject listed, the employees may check one of the following items:

- ☐ Not enough      ☐ Too much  
☐ About right    ☐ No opinion

Typical subjects to be questioned might include:

Cooperative expansion plans  
 Employees and their jobs  
 Responsibilities of each department

#### Improving Communications

A major objective of an attitude survey is to assist in improving communications. The above questions on communications will give these general conclusions:

1. The amount of knowledge possessed by employees varies greatly on different subjects.
2. Communication from the cooperative needs to be improved because many employees are getting most of their information from other employees.
3. Employees want to get most of their information from the cooperative through such media as an employee newsletter, bulletin boards, talks with their supervisors, group meetings and letters, and that they want their information more frequently and more rapidly than the cooperative gives it to them by such media as the annual report of an employees' handbook.
4. Employees want additional information on many subjects related directly to the employee and the rural electric system and also on general subjects—especially those which affect the system and the rural electric program.

#### Auditing Management Policies

The second major objective in attitude surveys is to audit or inventory management policies and procedures. One system explains it in these words: "We have always followed the practice of auditing our financial records at least once a year, and we take a physical inventory at least once a year. It now seems clear that we should make an audit or take an inventory of our personnel practices at least every two or three years."

Typical questions that may be asked to get employee opinion might include:

1. How fairly do you feel that promotions are handled?
2. How do you feel your pay compares with that for similar work in OTHER ORGANIZATIONS?
3. How do you feel your present pay

compares with rates paid for similar work **WITHIN THIS RURAL ELECTRIC SYSTEM?**

#### Aids Management Training

A third major objective is to aid in the planning and development of a program of management training:

1. To determine the general need for management training.
2. To find the subjects on which management training is most needed.
3. To locate the department where training is most needed.
4. To provide material for use in management training.

Typical questions to ask in the management training area might include:

1. **When it comes to getting cooperation from his employees, do you feel your immediate supervisor is:**

- ☐ Tops      ☐ Good  
☐ Fair      ☐ Not very effective

2. **Does your immediate supervisor keep you informed?**

- ☐ Usually      ☐ Sometimes  
☐ Seldom

The information from these surveys may be valuable in two ways. First, it indicates to the system the specific areas or departments which should receive attention first in an improved management training program. Secondly, such information is a challenge to the lower-rated departments to at least try to equal the average. If the departments ranking below the average can reach the average, it is obvious that the average performance of the rural electric system will be greatly improved.

#### Taking Corrective Action

The surveys can give management an idea of where the strengths and weaknesses are in their system so that management can take corrective action by:

- Training and retraining individuals according to their specific needs.
- Letting each supervisor study the survey findings from his own subordinates.
- Altering practices and procedures without running the risk of making bad or unnecessary changes.
- Starting to convert system policy into actual practice **everywhere** in the



rural electric system.

- Acting on the basis of facts rather than on "belief" or speculation.

According to the latest National Industrial Conference Board report on attitude surveys, 91% of the participating companies claimed the surveys do not "upset" employees, nor start negative thinking, nor increase griping. Ninety-eight per cent of the companies said that the employees were frank and honest in what they said in the surveys. Other benefits were the interest the employees showed in the attitude surveys and the resultant boost in morale. In addition, 83% of the companies said they learned something new by using the surveys. The great value of surveys comes from the findings that eliminate guess work and "confirm what the company previously could only speculate about."

Surveys should **not** be attempted "unless

and until you are prepared to do something about the findings." By that we mean a survey should not be started if the rural electric system is not willing to act in accordance with the survey findings or to explain fully why such action cannot be taken.

For additional information about attitude surveys, consult the following publications:

**Experience with Employee Attitude Surveys**, Studies in Personnel Policy, No. 115, National Industrial Conference Board, 460 Park Avenue, New York 22, N. Y.

**Polls of Employee Opinions and What to Do with Them**, Bulletin No. 21, Industrial Relations Section, California Institute of Technology, Pasadena, 4, Calif.

## R<sub>2</sub> for Headquarters Building Growth

By WESLEY M. JACKSON

Manager, Tennessee Valley Electric Cooperative, Savannah, Tenn.

**D**O YOU have a cramped Engineering Department? Do you lack space to install that routine maintenance shop for transformers and reclosers? Do you need a Board Meeting Room with more privacy than a curtained area in the lobby? Is your warehouse bulging at the seams? Do some of your vehicles sit out at night for lack of garage space? Or do you have several warehouses, a pole yard, and a transformer yard scattered over town where control is difficult and there is wasted time and travel going from one place to the other?

### Housing Prescription

If you are troubled with these typical ailments of a growing rural electric system, you might consider our self-prescribed remedy.

The present headquarters building is an attractive, well-built structure constructed in 1951, located downtown and occupies nearly the entire local plot. Faced with insufficient storage space for poles, transformers, and other materials, we were forced to purchase facilities in other parts of town to meet our expanding space requirements. Until we adopted our new "housing prescription" we didn't know which way to turn.

We visualized the many advantages of

locating all our facilities within one fence. Lost motion and travel would be eliminated and control enhanced. We knew that as our system grew and more dollars were invested in scattered facilities, our chances were minimized of ever having a consolidated operation.



A serious review of our situation in 1958 revealed that as time passed and our system grew our problem would become more and more acute. After many hours of discussion to develop a solution to our growing pains and scattered facilities, we developed our "prescription" and are now in the process of administering the remedy. We are hopeful of relief in another year or two.

### "Selling Out and Moving"

Our plan is basically this. Purchase a new site which would be suitable for all of our facilities including a new headquarters building; design the new facilities to in-

corporate flexibility to meet future needs; spread the word that our long-range plans include constructing new facilities; create interest so other enterprises become interested in utilizing our present headquarters building through rental or purchase of the facility.

You might ask—who would want a rural electric cooperative office and warehouse building? Our answer is—you would be surprised at the number of prospects that have contacted us since we announced our long range plans. A little creative imagination will develop a number of uses for a building of this type. Our building has increased in value because of the difference in construction cost today versus the original investment.

Our location is much more desirable to other people now than several years ago due to population shifts and community development. We believe that these important factors lend themselves to making our project of "selling out and moving" much more feasible and workable.

#### Two-Step Plan

We are presently in the midst of this project. We recently purchased a new 13.5-acre site just three-quarters of a mile from our present downtown location. The new location fronts on a highway, is level, and has paved streets along both sides. We feel that it will be adequate for many years to come and that there will be plenty of reserve space for future growth.

We are now designing a new layout and have visited other recently-constructed cooperative headquarters to gather do's and don'ts for our new facilities. We propose to design our consolidated operation so that it can be constructed in two sections if necessary.

In the event of a delay in the sale of our present building, which we doubt, we have designed the layout so that we can go ahead with construction of the warehouse, crew quarters, garage and pole and transformer storage with suitable reservations on the site for later construction of the office building to adjoin the new facilities. In this way we avoid a "panic" sale and wait until the price is right for the sale of the present building.

Public acceptance of the project has been very good and the ultimate result is what counts—a completely consolidated operation with ample room for future growth.

Wesley Jackson is now in his tenth year as manager of the Tennessee Valley Electric Cooperative. Prior experience includes Chief Engineer for the Lincoln County EMC at Fayetteville, Tenn., and engineer for the Alabama Power Company. He was educated at the Vanderbilt University School of Engineering. Manager Jackson is one of the Tennessee managers who have completed the seven basic NRECA Management Institutes. During World War II he served in the Army Air Forces and is presently a Captain in the Air Force Reserve. He is married to the former Edith Hays who for five years was employed by the Alabama Power Company. They have two children.

## Likable Letters

by KAY PEARSON \*

OUR world grows smaller; our universe grows larger. To live together in a smaller world, and to reach new worlds, we must quickly get our thoughts across to each other. Through the billions of letters that we write each year, we are trying to communicate. If readers like the letters we write, we are successfully communicating. If they dislike them we have failed, and we may not get a second chance. But readers will like our letters if they are meaningful and compact, if they are friendly and sincere.

Making our business letters meaningful and compact is easier than making them friendly and sincere. Of course, a compact letter goes a long way toward convincing the reader of our sincerity. Our words, every one of them, should be significant and move swiftly to the point. That point should be so clear and sharp that the reader gets it at once without effort. Further, he wants his facts stated honestly, without contradiction and fence-straddling. A recent cartoon sharply satirized fence-straddling by showing a politician saying, "This brand-new time-tested product of firm flexibility, just like the old formula but entirely different—"

#### Your Letter Attitude

While the appeal of the letter depends on its compactness and accuracy, it depends even more on its friendliness and

sincerity. How can we ensure that those qualities will be present in proper measure? The answer is in two parts. Half of the victory lies within us—in our attitudes. If we like people, if we want to help them, and if we are kind even when we have to say “no,” then we are well on our way to writing likable letters.

The other half of the victory lies in the tone we give our letters. Though they are perfect in subject and style, they must ring true. They must let the recipient feel that we are for him and that we are ready to help him. We cannot say to an unknown correspondent, “I am your friend and, believe me, I am sincere in what I say.” He would be dubious if we did. We must therefore find ways of letting him realize for himself that our attitude is one of helpfulness. Our correspondent will act according to his own convictions. Let him form them from the tones—and overtones—of our letters, not from our formal assurance of friendliness.

Our warmth of personality and our gift of being able to say the right thing at all times may lend to our letters a full tone of sincerity. If so, we should keep them compact and go on writing in our own style. Those of us not so gifted need guides in making our letters sound sincere.

#### Be Yourself

Where and what are these guides? Here are a few. We begin by being ourselves. It is almost impossible to write a letter that sounds sincere when we are trying to imi-

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tate the style of another person. Oh, surely, we must please the boss. If he cannot stand the sight of “in relation to,” we leave it out. With more than half a million words in Webster’s from which to choose, we can do without the few the boss is peevish about. **It is important, however, that all bosses and all writers know that the strain of imitating the words of another is sure to destroy spontaneity and to dim the obvious sincerity.**

Having determined to be ourselves, we are ready to pick our words with great care and to put them together in such way as to be sincere with the reader. Here are four suggestions to follow as we write our letters:

- Use names, personal pronouns, and human-relation words—not cold words that name categories.
- Use genuine words—not words that are hollow and superficial.



- Use positive words that please people and prompt them to favorable action—not negative words that offend or hurt.

- Use cordial words, straight from the heart—not words that are overbearing or subservient.

Let’s look further at each of these four ways of giving letters a tone of sincerity. First . . . PERSONAL words

#### Improving Your Letters

Psychologists tell us that, above all other sounds, people love the sounds of their names and, second, the sound of “you”. People love to see those words in writing as well as to hear them. Today the formal salutation may be omitted from a business letter but the astute writer calls the name of the addressee early in the letter. A well-known publishing firm began a recent letter, “Surely, Mr. Addison, you may quote from our book.” How much more pleasant that opening is than “My dear Mr. Addison: We hereby give you permission to quote from our book.”

When we write about a person, we should call him by name. Maybe he is one of a category such as a veteran, or a client, or a lessee, but first of all he is

John Witherspoon Brown. Our records are more reliable if we name him than if we label him a "claimant." In using his name we dignify him as an individual.

When we write from person to person, we can throw in a generous number of personal pronouns, especially "you," "I," and "we." "We" in the usual business letter, written in behalf of an organization, is often preferable to "I." Another way to add a personal touch is to use words that denote human relationships, such as "his friend," "her husband," or "your son." Those words may sometimes mean even more than the names themselves.

Second . . . GENUINE words . . .

All words are genuine if appropriately used. Many words, however, have been overworked or mistreated until they are inert or distorted. We repeatedly inform our readers that we have given the question careful study or careful research. Are we saying that at other times we are careless? We look at a well-kept civil service record and reply to the inquirer, "You have apparently had 12 years of service at the X Arsenal." Why the deadening word "apparently?" The long phrase "in view of the fact that" fills space that could be saved by using the simple word "since." We write to a veteran "Under certain circumstances, you may be entitled to ten-point preference." We double the uncertainty by coupling "under certain circumstances" with the verb "may."

Some of us cannot toss the reader an idea without a wind-up. We begin, "Let me take this opportunity to thank you for the report." The direct statement, "Thank you for the report," is natural and sincere. These hollow words and phrases take a heavy toll of the writer's time and the reader's time. Worst of all, they slow down the flow of thought.

Third . . . POSITIVE words . . .

The old custom of telling a person what he cannot do but letting him find out for himself what he can do has wasted much money, time, and good will. A positive attitude, even a positive word, pays well in a letter. People resent negative and weak words, especially those that belittle or disapprove. The following sentences speak for themselves in contrasting the negative, unpleasant statement with the positive, pleasing statement.

NOT: You failed to specify the date you will arrive; therefore, we

cannot meet you at the station.  
BETTER: Please let us know soon when you will arrive so that we can meet you at the station.

NOT: You did not fill in Item 5 on your application. Your neglect in giving us this information forces us to disapprove your application.

BETTER: We are enclosing your application so that you may add the information requested in Item 5. As soon as we have this information, we will consider your qualifications.

NOT: In view of your inadequate experience, you do not qualify for this job.

BETTER: Since this job requires at least three years' experience, I suggest that you apply for the second one. With your two years, you have the experience required for that job.

Fourth . . . CORDIAL words . . .

If our letters have cordiality they, like people, are readily received by others. The three preceding suggestions, well applied in our messages, are already giving them graciousness. Now we must make certain that no word—overbearing or servile or tactless—is permitted to mar that tone. We may get action but we lose support if we say to one of our employees, "You are directed to obtain his signature without delay." All we need to say is, "Please obtain his signature as soon as you can."

#### Closing Words Important

Perhaps we as management analysts are writing of a new procedure we have just had accepted. We close our letter, sincere and straightforward to this point, with the sentence, "Will you give us the pleasure and the privilege of assisting with the installation?" A brief sentence "we will be glad to help with the installation," would have been in better keeping. A letter that meets every standard of good writing may be wrecked by a tactless word in the last sentence as, "We hope that in spite of the handicap of deafness you will be able to complete the survey."

These suggestions are merely a beginning. Friendliness and sincerity have no bounds. If we cultivate them as we write, our letters will be liked and our communication will be improved.

# Leading Ladies



**C**LEARFIELD Electric Cooperative in Clearfield, Pa., can boast with justification of "Jean" and her remarkable contributions to the entire rural electrification program. Manager J. Riley Fulmer's wife just naturally accepts as a part of her "nest-building" responsibilities, giving help to her husband by working with him for their cooperative, their community, their region and their National Association.

Jean Fulmer has served as the chairman of the Ladies' Committee for Region I for a number of years and in 1955 and 1959 she served as the National Ladies Chairman of NRECA. Incidentally, she gathers her husband and two children together about three months before the meeting to which she is contributing, heads for the city where it will be held, and does her planning and organizing for her ladies right on the spot.

## CARE Program

Jean says that she enjoyed her 1959 Ladies Committee chairmanship at the national meeting the most because the NRECA-CARE program was inaugurated. Under Jean's leadership, an auspicious luncheon was held in Washington D. C., where 1,500 ladies, including many dignitaries' wives, assisted with the inauguration of a CARE program to provide electrical training kits for the people of the Philippines.

Jean has to do a lot of reading to help her husband do the best job possible in spreading the word, because she feels she "needs a complete understanding of rural electrification."

Her acquired knowledge comes in quite handy when questions are asked of her by friends and strangers alike as she goes about her routine. It helps immensely when attending meetings of Granges, other local cooperatives, service clubs and simi-

lar gatherings with her husband. In this way she is able to assist him through the informal contacts which are so valuable to their cooperative's public relations program.

## Kiwanis Activities

Jean's other activities on a state level are tied into her husband's Kiwanis work. He has been Lt. Governor of the Pennsylvania District for the state and is now serving as chairman of a District Committee. In 1961, he is slated to become governor of the Pennsylvania District of Kiwanis and will continue to receive Jean's versatile assistance. She attends many meetings with him in his official duties and avails herself of these opportunities to discuss the rural electric program with the wives of the state Kiwanis officials. Jean finds that "rural electrification comes along naturally as most city wives are very curious about the movement."

Jean is always ready and willing to cooperate with local groups in their bake sales and rummage sales, and is very active in the West Side Methodist Church. She serves on the Troup Committee of the local Girl Scout Group and is a member of the Clearfield Hospital Auxiliary.

Jean has worked closely with the wives of their directors through the CARE program and as a group they successfully collected more individual articles than any other cooperative in the country. This activity received extensive publicity from the local press and is giving Clearfield Electric a new lift with community and member relations.

Jean Fulmer is an energetic, vital person who serves her husband well. She means it when she declares, "Cooperation begins in the home and can be radiated from there as a good start in working with others."



# manager in profile



Charles Stewart

**THE MAN:** Charles Stewart, manager of the Warren Rural Electric Cooperative, Bowling Green, Ky., and chairman of the NRECA Management Advisory Committee and the REA Administrator's Electric Advisory Committee.

**THE RURAL ELECTRIC SYSTEM** of which he is manager has 4,000 miles of line, serves 17,000 consumers in all or part of seven counties in south central Kentucky, and has an investment of \$9,000,000. **HIS PAST:** Has an A. B. degree from Vanderbilt University, served as local manager of the Tennessee Light & Power Company prior to the purchase of their properties by cities or cooperatives served by TVA; served as manager of the Farmers' Rural Electric Cooperative, Glasgow, Ky., from 1943 to 1948, and since that time, manager of Warren Rural Electric Cooperative; first president of the Kentucky Statewide and NRECA director from Kentucky from 1952 to 1958.

**HIS VIEWS:** The most important management problem facing the rural electrification program is "the maintenance and improvement of a favorable legislative climate under which the objective of maximum service to the consumer can be achieved. It is becoming more and more clear that the success or failure of our program will be determined in the legis-

lative halls of our country and the judicial branch of our government.

"In the early days when we were small and weak we had the sympathy of our friends and were ignored by those opposed to our program. As we mature, we must accept the responsibility of creating a sympathetic understanding of our problems and objectives on the part of the public and the legislative and judicial branches of government. In my opinion this must be pursued more vigorously at all levels, by the individual systems, by state associations, and by our national association."

**The second most important management problem facing the program** is "providing the climate in which employees have the opportunity and desire to improve their efficiency and usefulness. An organization is just the people who work for it. It is not the lines, transformers, the buildings. These only take meaning when properly used by dedicated employees."

**On problems in board-manager relations,** Stewart says, "With most boards and managers there will be no problem when there is a clearcut understanding of the proper function of each. But both must function if the proper relations are to be maintained. A manager must keep his board advised of plans, progress, and problems of the organization, but at the same time avoid seeking approval of details of operation, which are the responsibility of the manager. On the other hand, the board of directors should not expect the manager to make decisions in the area of policy-making and aims and objectives of the system. The manager should assist, advise in these areas. The board is responsible and accountable to the membership in this field."

**A systematic wage and salary plan** has "made happy employees for us. It provides for systematic advancement each year within the wage bracket of each classification for satisfactory improvement. Each employee knows what his potential is in his particular job."

**The most basic attitude a rural electric manager should have,** Stewart states, is an "attitude of helpfulness. Our program was inaugurated for service, not just continuity of electric service, but the utilization of that service for the well-being and improvement of the economic and social welfare of the consumer and the community."

# director in profile



Mrs. Andrew Dahl

**“TO ME** the board of directors have a real responsibility. They should first of all understand cooperatives and believe in them. They should by all means understand the position of all cooperatives as regards their income tax position and be prepared to defend them. No one who is not informed, interested and sincere in these matters should be given the privilege of serving as a board member of any cooperative.

“The board members should be able to give information of a general nature to the membership and they can do this if they keep themselves well informed.”

Thus comments Mrs. Andrew Dahl, vice president of the Sheridan County Electric Cooperative, Medicine Lake, Mont., one of 89 Rural electric lady directors. Mrs. Dahl speaks from deep conviction and rich experience. She has been a member of the board of her own cooperative since its inception nearly 20 years ago.

## Positions of Leadership

Mrs. Dahl serves as a member of the board of directors of the Northwest Public Power Association, the regional organization of the cooperatives, municipals, and public power districts in the Pacific Northwest. She represents the state of Montana

on the board of directors of the Wisconsin Electric Cooperatives. She has also been active in the Minuteman program.

Director Dahl has well proven that she is able and willing to defend the principles and philosophy of rural electric cooperatives in state and nationwide meetings.

“I must in all honesty say that the work I do in my church’s Ladies Aid suffers at times because I am out somewhere at an annual meeting. Having somehow gotten into the position of acting as guest speaker at these meetings, I spend considerable time on the road. I believe in the program of rural electrification and I am only too glad to do what I can to advance it.

“These last few years my work with organizations other than REA groups has not been as consistent as I would like it to be. However, I do work with the youth groups in the Farmers Union and have enjoyed their state camps where I have appeared as guest speaker.”

Mrs. Dahl feels that the manager should attend all of the board meetings except those in which his salary or the appraisal of his performance are involved. She states: “In my opinion if the manager is to work closely with the board, he needs to know what is discussed in the board meetings.”

More and more rural electric people are coming to a fuller appreciation of the value of an effective member education and power use program. Mrs. Dahl confirms this: “I feel that all cooperatives need a good power use program. In this way much valuable information will get out to the membership. Through the medium of our paper we are gradually helping to get this done also.”

## Legislative Activities

Mrs. Dahl is active in gaining a working familiarity with legislative affairs. She says, “My husband just recently completed his seventh session in the Montana State Legislature, one in the House, six in the Senate. I was there all of the time and my understanding of legislative procedures was broadened a great deal.”

She states that the members’ meeting at Sheridan County Electric is truly an information meeting. Questions from the floor are welcomed and encouraged. This she sums up in one sentence. “A cooperative is the membership’s business and questions should form a healthy part of the program.”

# Myths About the Worker Past 40

By the Honorable JAMES P. MITCHELL

Secretary of Labor

**W**HEN does an American worker become "too old" to get a job or be considered for promotion? The answer is; at a startlingly early age—40 or perhaps even younger.

Some 28-million members of today's labor force are 45 or older. Of this number more than a million are currently seeking jobs. It is anticipated that by 1970, the American economy will be turning out \$750-billion worth of goods and services, 50% more than today. Even with the rising population this would result in a 25% increase in our standard of living.

The number of workers needed to man an economy of that size is estimated at 87-million, 13.5% more than are in the labor force today. When we look carefully at the expected increase of workers in different age groups, we begin to realize that the traditional composition of the work force, men and women, will be sharply altered in the coming decade. Workers under 25 years of age will increase 6.4-million by 1970. Those over 45 will increase 5.5-million. Among workers 25 to 34 there will be a relatively small increase of 1.8-million, while there will be an actual decline in the number of workers 35 to 44.

## Contest for Manpower Increases

All the handwriting on the wall indicates that we should realize the two sources of labor supply in coming years will be the young inexperienced workers just out of school and the experienced older workers that industry may be turning away or not using at this time. Those employers who persist in discriminatory policies of any kind on the employment of older workers are going to find themselves squeezed out as the contest for manpower increases.

Let us examine the prejudices against hiring, and properly utilizing, older people. One prevailing myth is that older workers produce less than younger ones, that they cannot keep up the pace of their "prime" years. It is often thought, too, that older workers are absent a great deal more than their younger colleagues, and that they are more prone to serious illnesses and accidents.



Another charge is that older persons are set in their ways and unable to adjust to the rapidly changing conditions of our modern economy. It is argued that an older employee is going to "do things his way," failing to take full advantage of efficient, modern techniques and process improvement.

As to the charge that an older worker is less productive, we are now able to cite studies that show there is very little difference between the productivity of the younger and older worker. A Department of Labor analysis of the job performance of production workers in 26 plants disclosed that the difference in output between the individuals of a selected age group were larger than differences between age groups themselves.

## Little Variation in Average Performance

Another recent study made of office workers in five government agencies and 21 companies in private industry, produced results very similar to those of the factory studies—"relatively little variations in average performance among age groups, but considerable variations among individuals within age groups."



The National Association of Manufacturers conducted a study that reported 92.7% of the older workers covered were at least equal and frequently superior in productivity to younger men and women. Here again, differences in output within age groups were larger than those between age groups.

Thus, the generalization that younger workers perform better than older ones is hokum. And so is the one stating that older workers are absent more. The reverse is true. The older man is likely to be a family man, a home owner, with community responsibilities that make his presence on the job important to him. He is more settled than his younger colleague; he has, more often than not, put his roots down and is seeking permanent employment and steady work. All of our studies showed that the older worker is less given to absenteeism than the younger worker.

#### Older Workers "Less Flexible"? Untrue

The statement that older workers are less flexible is also untrue. It is no doubt based on evidence that young people learn faster than older ones—but in this context "older" learners may be every bit of 20! Psychologists have concluded that, in the working world, a mature individual learns differently from, but as well as, a younger one. He has, from experience, the ability to select, to value and conserve, and he also has a background that enables him to grasp principles.

A sampling of 160,000 job seekers showed that the 40-plus worker possesses far better occupational qualifications than the junior. Twice as many were classified as skilled workers.

Thus an individual older worker is probably every bit as flexible as an individual younger one. He may even have a head start from training already behind him.

Related to the fear of pension-plan difficulties is a prevailing opinion that older workers are more prone to accidents. Here again, cost is the central concern. But workmen's compensation rates are based on a particular company's accident experience, and the relative danger of the work performed. Age has no bearing on such rates. This is proper, since our studies show that the older worker is no more prone to accident than the younger one.

From our studies has emerged the important realization that generalizations applied to older workers are simply not true, any more than generalizations applied to younger workers. Neither group is, as a rule, lazy, careless, undependable, subject to illness and accidents, stubborn, ill-tempered, disloyal, inefficient or rigid in attitude. There may be individuals who are some or all of these things—just as there are individuals who are excellent, productive employees—in every age group.

*(Condensed with permission from the New York Times Magazine Section, June 19, 1960.)*

## Why a Regularized Wage and Salary Plan?

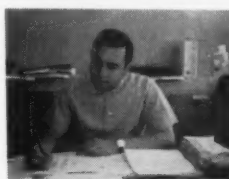
By STAN B. STANFILL

Staff Assistant

Yampa Valley Electric Association, Steamboat Springs, Colo.

**Y**OU'RE a busy man, aren't you? As a manager or supervisor, you have heavy responsibilities and your days are loaded to the hilt. As a director you have your own business or professional interest to look after in addition to the obligation to your cooperative. In fact, you may be uneasy about the time you are taking to read this article. Thus, a proposal to establish a regularized wage and salary plan may seem to be just another effort to keep you or your co-op from taking care of the important day-to-day business.

However, taking care of wage and salary problems is an essential part of your day-to-day business. If your co-op



does not have a formalized plan in operation you are probably spending twice the time that you should in this area. You are putting out wage and salary brushfires daily instead of installing long-range control measures.

Let's take a look at the typical small business organization operating without a formal wage and salary program or policy. First of all there is a constant battle between departments and individuals over which jobs or groups of jobs

should be paid the most. Each individual is acutely aware of placing his particular job in the best possible light with his supervisor. Cooperation is lacking because of an unconscious fear that if certain departments or individuals do an outstanding job, other departments or jobs will suffer financially; and too many times this is the case.

#### **Increases Controlled by Budget**

Like the squeaky wheel which always gets the oil, increases seem to go to those who are most aggressive and scream the loudest. Others get lost in the shuffle—or worse yet, increases are given on a standard across-the-board percentage with no thought to rewarding superior performance. New employees have no idea what to expect in the way of increases or promotion. Increases are controlled by the budget rather than a budget being drawn up to fit anticipated increases. Employees are often given additional authority and responsibilities without an accompanying increase in wages, and the manager usually winds up handling all wage and salary matters, a responsibility which should be handled as a routine matter by his subordinates. These conditions can be found in a majority of small businesses today, including our rural electric systems.

"OK," you ask, "this situation fits my co-op; now, what do I do about it?" The answer is not an easy or simple one but it basically boils down to your organization conducting a complete and thorough position analysis and evaluation study. Position evaluation is nothing more than a systematic study to determine what jobs are worth. It is important to note that such a study covers just jobs and not the people on those jobs. People's performance on the job is measured by performance appraisal.

#### **Developing the Wage and Salary Plan**

Let me briefly describe the steps which are normally taken in such a program. First of all, prepare complete and thorough position descriptions. You will find these descriptions also helpful in hiring, training, and making organization studies. These descriptions should not only point out the duties and responsibilities of the jobs but should emphasize the planning, organizing and controlling functions.

After the position descriptions have been formulated, you have a realistic basis

to evaluate the jobs. This is most often done through the use of a standard point evaluation plan. Clerical, management, and trades and crafts jobs are usually evaluated separately. Each job is evaluated on the basis of factors which make up most any job—for instance, education, training time, safety, responsibility for equipment, and supervisory responsibilities. Usually the evaluation will be done by a committee of supervisors or employees representing all departments. It is important that the plan which is used be tailored to fit the individual co-op situation, and that all the factors which may be present on a job are evaluated. After points have been related to the committee's rating, an order of importance and the relationship of the jobs within your system is established. To make this meaningful, the financial relationship of these jobs to jobs outside your organization must be determined.

#### **Area Wage Study**

This calls for a comprehensive area wage study, and "area" in this sense can mean the whole United States if this is your recruiting grounds for certain jobs. When you know what the going area rates are for similar jobs, you can build salary ranges or price the jobs. This means the establishing of minimums, or beginning rates, and maximums for each job. After you have established the rate ranges, you next must write a policy which will serve as a guide line to supervisors in determining the method in which employees will progress through the ranges as a basis for promotion based on merit.

The experts in motivation and morale tell us that a fair and equitable wage and salary plan will not necessarily give us satisfied, productive workers. But by the same token, how far will you get in developing morale and team spirit with a wage plan that employees consider to be unfair and inadequate? Even a wage plan that is admittedly liberal may be considered unfair by the employees because of the wage relationship of certain jobs. If you called in your power use advisor tomorrow to tell him that you were raising his salary to \$12,500 per year, chances are you would make him quite unhappy if, in the same breath, you mentioned that the billing clerk has been getting \$13,000 all along. It is these internal comparisons that give us the bulk of our problems.

### First Year's Operation

In July, Yampa Valley Electric completed its first year under a regularized wage and salary program. No one would say that our wage and salary problems are completely solved or that a few new ones were not created, but we can see a climate established in which no one has any doubts about where his position stands financially. Employees know exactly what the pay prospects are in their present job, not for one year but for four years ahead. They know that their salary situation will be reviewed each six months or each year, depending upon the schedule in which they fall.

A budget is built around anticipated increases. No employee is placed in the embarrassing position of having to ask for a raise. New employees know not only the salary future of their own jobs but also of the jobs to which they may be promoted. The manager is freed from daily wage and salary decisions. He needs only to approve increases of his immediate staff and those which would vary from the established schedule. And, of prime importance, the effect of the "squeaky wheel" has been minimized.

### 25% of Revenue for Wages

This year you will probably spend 25% to 30% of your revenue for wages and salaries. A regular wage and salary program is designed to take a close, systematic look at the way in which this money is being spent. It is an investment of time and effort that will pay off in big dividends in terms of increased morale and time saved.

Yes, you are a busy man—too busy, in fact, to neglect your wage and salary plan any longer.

STAN B. STANFILL, who is a native of Colorado, received his Bachelor's and Master's Degrees from Texas Tech in Industrial Relations and Industrial Psychology. A member of Sigma Iota Epsilon National Management Honorary, he was associated with the Allied Retail Chain in Dallas and later the Mountain States Employers' Council in Denver, prior to becoming staff assistant to the manager of the Yampa Valley Electric Association at Steamboat Springs, Colo.

## Heavy Transformer Lift

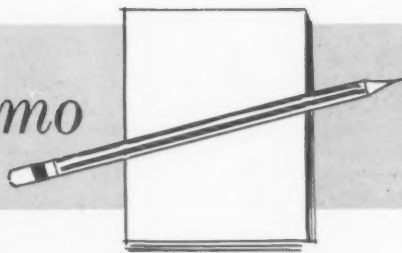
Greatly expediting the placing of large substation transformers, the lifting beam shown in the photograph above can carry transformers up to 30,000 pounds, with bushings in place. This beam, developed by the Grand Electric Cooperative in Bison, S.D., is made of 10" standard eye beam, 25.4 pounds per foot, specially fabricated stirrups for the slings, which are  $\frac{3}{4}$ " wire rope. The clevis, which is part of the point of lift, is made of  $1\frac{1}{4}$ " rods specifically reinforced to increase the area in shear.

The transformer in the picture weighs 17,300 pounds. Four such units were placed in the substation with this device in  $4\frac{1}{2}$  hours work at night on soft ground. The crane frequently would sink 12 inches into the soil.



According to Manager Leroy Schultz, the lifting beam provides many advantages in the erection of large transformers, including better balance and control than any other method used, less strain on the transformer tank, greater speed in rigging for the lift and greater safety in the operation, inasmuch as the usual slippage of chains and cables has been eliminated.

# Management Memo



## We Who Must Help

By ROBERT I. KABAT

Director, NRECA Management Services

**E**VERY manager strives to obtain the maximum board understanding of the many things he must present to them for their consideration. This includes proposed policies, plans and programs, and reports on results of the operations

Developing real understanding may determine to a great extent how much the board is willing to give up—willing to delegate to the manager. Such understanding is essential in avoiding future problems in board-manager relations.

### Board Blocks

What can be more discouraging to a manager than "board blocks" such as the board approving the budget and then later objecting to a purchase made by the manager which was included in the approved budget, or the board approving a wage and salary plan and later questioning salary adjustments granted by the manager within the approved plan and policy?

Listening to a report doesn't necessarily mean there is understanding. Utilizing good charts and graphs doesn't guarantee understanding, it only facilitates it. How then can a manager obtain necessary board understanding?

### Guides to Understanding

1. **CONFERENCE LEADERSHIP TECHNIQUES HELP.** Becoming skilled in encouraging the board to raise questions and express their concerns and viewpoints will help determine board understanding. This is not easy. It is a skill which has to be utilized by the board president and at times by the manager. In doing this the objective is not to dominate but to obtain meaningful participation.

In the board meeting, applying these skills may take the form of direct or indirect questions. The direct question would be aimed at the individual board members and the indirect to the board as a group. Searching questions such as the following may be used: Is this clear to you? What is



your reaction to this?

2. **OBJECTIVITY DEVELOPS UNDERSTANDING.** The more the manager can be objective and in an inquiring frame of mind, which welcomes suggestions and even constructive criticism, the more the climate will be created where the board will raise their concerns and questions. Rather than being objective, it is probably easier for the manager to be defensive because this is his recommendation. To not just defend but to encourage thorough study and consideration of his recommendations requires a great deal of self-discipline on the part of the manager.

3. **CONSULT 'EM.** We talked about the different types of management — fear, force, authority as opposed to persuasion, selling and consulting. We understand these types—their advantages and disadvantages—but do we spend enough time examining the role the manager assumes in relation to the board? Here we must practice the highest level of consultative management. We must not attempt to overwhelm the board by our technical knowledge, our more intimate acquaintance with the problem. But we must truly want to consult the board.

4. **STAFF ASSISTANT TO THE**

BOARD. In addition to practicing the highest level of consultative management in relation to the board, the manager is the key staff assistant to the board. He provides specialized technical advice and assistance, but he can't order or direct; he can, however, persuade and motivate. The board will accept his advice because of his competency.

5. **ADEQUATE RESEARCH A MUST.** How embarrassing it is to present a plan or program to the board, have them raise questions about it which can't be answered, and then have them ask that more study be done and it be presented to the board again at a later date. Always the question should be raised—is all the preparation done, is it better to wait until another board meeting to allow time for additional preparation? What other facts or data might the board ask for? What questions will they raise? Am I prepared to answer them?

6. **A PICTURE MAY BE WORTH A THOUSANDS WORDS.** Visual aids facilitate obtaining understanding but they won't do the whole job. Such aids should be used to maximize understanding. Use should be made of comparisons with the past, with other systems. Trends should be portrayed as well as estimates made of what can be expected in the future. Charts and graphs help in presenting these comparisons, trends and future challenges. Before presenting them to the board, they should be carefully reviewed to make sure they're clear and make the best possible presentation of the point you're trying to get across.

7. **PAUSE THAT REFRESHES.** This is a trademark which is familiar to all of us. It also applies to presentations to the board. Recently I attended a board meeting where the manager at machine gun speed read to the board a detailed report on the cost of a proposed co-op service. When it was over, the board didn't raise a question. It was presented so fast they probably didn't know what to ask. Why practice rapid reading on the board?

More understanding can be obtained by presenting material slow enough to give every board member adequate opportunity to raise questions or express his concerns.

8. **ENOUGH IS ENOUGH.** Presenting too much material to the board at one time, no matter how careful the preparation, can defeat itself. All of us have limi-

ROBERT I. KABAT joined the NRECA staff as a Legislative Assistant in 1953. Participated in the NRECA Management Institute Program when first offered in 1954. Became the head of the NRECA Management Services Department when it was formed in 1957. Prior to joining the NRECA staff was manager of the Oneido-Madison Electric Co-operative, Bouchville, N. Y. Has a B. A. degree from Oberlin College, Oberlin, Ohio, and a B. S. degree from the U. S. Merchant Marine Academy, Kings Point, N. Y.; also took graduate work in public administration at Syracuse University, N.Y.

tations as to how much we can really absorb at one sitting. Every manager wants to become skilled in determining the absorption rate of his board, how much material the board can give careful consideration to at one meeting without just giving approval to get it over with.

9. **ROLE OF BOARD CHAIRMAN IMPORTANT.** The chairman must be skilled in leading men. He must be able to sense when the board understands and when they do not. He must be skilled in knowing when questions should be raised with the board, when the board should be drawn out to determine their feelings and when to ask for approval. In effect he must know his man—know each board member.

10. **FUTURE EVENTS DETERMINE PAST UNDERSTANDINGS.** If two years after the board has adopted a policy, questions are raised by some of the board which indicate a lack of understanding of previously approved policy, some soul searching ought to be done on why understanding wasn't obtained in the first place.

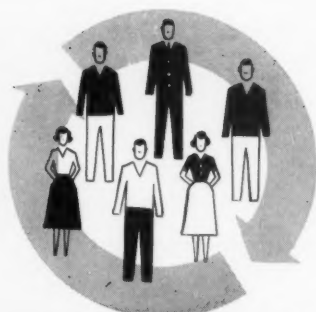
Working with a board is working with people who vary in temperament, feelings and attitudes. Each is an individual person. There is nothing fixed about these relationships. They probably are in a constant state of flux. This is why we must always learn from past failures.

### Great Expectations

Every board member wants to give his best to this program. To accomplish this he has great expectations of the assistance he must receive from the board chairman and the manager. Is this being provided?



# employment



# exchange

Responses should be directed to NRECA Management Services, 2000 Florida Ave., N.W., Wash. D.C., with appropriate Code indicated.

## Is This Your Job?

**ELECTRICAL ENGINEER.** Graduate electrical engineer, familiar with design, construction, planning long-range system requirements, maintenance and service operations of co-op distribution system in progressive midwest rural electric. Salary open. Code V-8.

**ACCOUNTANT or BOOKKEEPER** experienced in REA accounting procedures for fast growing co-op located in northern New Mexico resort area with 7,000 consumers. Good schools and churches. Co-op member NRECA offers good retirement plan, group insurance and other fringe benefits. Code V-9

**LINE SUPERINTENDENT.** Direct construction, operations and maintenance medium size North Dakota rural electric. REA construction and operations experience essential. Have wage and salary plan with annual adjustments; also all fringe benefits including major medical and supplemental retirement. Code V-10.

**MANAGER.** Idaho Panhandle near Spokane, town of 5,000 in hunting and fishing country. Rural electric of 3600 members seeking manager with demonstrated management ability, knowledge of electrical engineering, accounting, and load promotion helpful. Salary \$9,000—\$12,000. Code V-12

**MANAGER.** Co-op minded, college degree, age 30-40, with previous managerial or supervisory experience, thoroughly familiar with co-op operation, including financial planning, budgeting. Salary com-

mensurate with ability. Midwest rural electric offering excellent working conditions, fringe benefits. Code V-II

**MANAGER.** Midwestern co-op with 6,000 consumers, 2,700 miles line—50% industrial oil well pumping load, \$5,500,000 plant. Must have had managerial experience. Starting salary from \$8,000 to \$10,000. Code V-13

**OFFICE MANAGER.** College degree in business administration or equivalent training and experience. Knowledge of modern methods of accounting and office procedures necessary. Must be male, under 50, in good health. Monthly salary \$522—\$678. Code V-14

**OFFICE MANAGER.** Rural electric serving 8,500 Georgia consumers needs office manager to assume complete charge of office. Functions include billing, accounts payable, accounts receivable, bookkeeping, plan accounting. Maximum age 40 with business administration background. Prefer rural electric experience. Have NRECA hospitalization and retirement. Code V-15

**STAFF ASSISTANT TO MANAGER.** Southeast rural electric needs full time Staff Assistant to Manager. Applicant should have training and experience in purchasing, personnel, organization, planning, coordinating work programs, ability to offer management advice and assistance. Have comprehensive fringe benefits, wage and salary plan. Salary range \$542—\$670 per month. Code V-16

**STAFF ASSISTANT.** College graduate, knowledge of all management staff functions. Ability to work well with all departments of progressive northwestern co-op. Age range 35-40. Monthly salary \$750—\$850. Code V-17

**WORKING FOREMAN.** Western electric co-op needs qualified Journeyman Lineman with minimum 6 years experience, at least 2 as Journeyman Lineman. High school education. Knowledge of electrical theory or lineman's course desirable but not necessary. Age 30-40. Usual fringe benefits, excellent working conditions. Monthly salary \$488. Code V-18

## Is This Your Man?

**ASSISTANT MANAGER or POWER USE ADVISOR,** 11 years experience with REA cooperative, 5½ years as power use advisor. Desires advancement. Code A-9

**ASSISTANT SUPERINTENDENT.** Transmission and distribution. 13 years experience in public utilities, high school education plus correspondence courses in electrical engineering, power distribution. Currently supervises 42 people. Interested in line construction in northern U.S. Age 41. Code A-10

**ASSISTANT TO ENGINEER.** 4 years co-op experience. 3 years college training in electrical engineering. Desires similar position, with more responsibility. Age 46. Code A-11

**ENGINEER.** B. S. electrical engineering. Desires management position. Experience as Project Engineer, Manager, Electrical Engineer. Present position includes conferences at state and Federal level, evaluation of desirability of installing atomic reactor of 900,000 KW, preparing power sales contracts, information on relocations, land and land rights. Age 39. Code A-12

**ELECTRICAL ENGINEER.** B. S. degree plus training in public relations and salesmanship courses. Experience includes 4 years Assistant Manager of utility, 12 years Industrial Plant Engineer. Desires position in Power Use, Assistant Manager or Engineering. Age 50. Code A-13

**FIELD EDITOR.** B. S. Degree in Journalism. 11 years co-op experience, desires position better utilizing training and experience. Code A-14

**SUPT. OR ASST. MGR.** 15 years experience co-op engineer and manager. Extensive supervisory experience. Seeks posi-

tion Southwestern or Western co-op. Much on-the-job training. Age 57. Code A-15

**OFFICE MANAGER & ACCOUNTANT.** B. S. Degree. Previous co-op and municipal experience. Desires co-op position in Midwest or West. Supervises 6 people. 35 years old. Former Manager Farm Bureau Insurance Agency. Code A-16

**OFFICE MANAGER.** 14 years co-op experience. High school education plus Certificate of Proficiency in REA Bookkeeping and Accounting. Currently taking Cost Accounting with International Accountants Society. Supervises 6 people. Age 39. Code A-17

**OFFICE MANAGER.** 7 years Office Manager and 5 years Bookkeeper in co-ops. Presently supervising 5 people. Desires advancement opportunity. Business college training. Age 33. Code A-18

**OFFICE MANAGER.** 10 years co-op experience. Supervises 15 people. One year college. Desires position utilizing experience in supervision and management. 39 years old. Code A-19

**OFFICE MANAGER.** 20 years co-op experience, desires Manager or Assistant Manager position in Midwest or Southwest co-op. One year college, REA Bookkeeping and Accounting Correspondence Course with Certificate of Proficiency. Supervises 5 people. 45 years old. Code A-20

**OPERATING SUPERINTENDENT.** 14 years co-op experience (10 years Line Foreman), desires advancement opportunity. Experienced in all phases of construction and maintenance, and practical engineering. Experienced supervisor, excellent work and safety records. 40 years old. Code A-21

**POWER USE SPECIALIST.** 3 years experience in co-op power use and public relations. Pilot for all types 2 engine aircraft. Desires public relations. 2 years college. Age 34. Code A-22

**PROJECT ENGINEER.** B. S. Degree electrical engineering. 6 years experience as system engineer. Seeks management position, preferably Midwest. Interested in expanding and utilizing knowledge of rural electrification. Age 34. Code A-23

## the reading shelf



**LEADERSHIP ON THE JOB**—American Management Association, New York. 303 pages, \$6.00

Big changes have occurred in the rural electric program. Today more people are engaged in supervisory assignments than at any time in the past. Furthermore, today's supervisors are required even more to exercise good leadership to obtain the system's objectives. Gone are the days when the employees blindly followed orders of their supervisors without question.

The present day rural electric supervisor is confronted with problems greater than ever before and he is seeking help with his problems from many sources. His position requires that he be more and more people-centered. This book will be very helpful to any rural electric supervisor in understanding the advantages to be gained from people-centered supervision.

As pointed out in his book, one of the most important keys to supervision is communication. Before communication, however, straight thinking must come first. "Even the most disciplined thinker falls prey, at times, to tricks of logic that get between him and the truth." In the book, comparison is made between the way the scientists and other members of society think. The scientist waits until he has gathered all of the available facts before reaching a decision. The average person is inclined to jump to conclusions on a minimum of information.

Personal prejudices are inclined to influence the thinking and attitudes of too many persons. It is a common error to fail to recognize that because others do not see and do things as we do that they are any less worthy or capable than we. Only when this fact is recognized can we hope to make real progress in everyday human relations, understanding, and supervision.

We can communicate only when we build an atmosphere of acceptance. It's not what people are told—but what they believe and understand—that counts. Communications take place through two pairs of ears—what one thinks he heard himself

say and what the other thinks he heard said to him. Too frequently the two are not on the same frequency.

**Leadership on the Job** gives an excellent coverage of the many communication and other problems confronting supervisory personnel at all levels. It is composed of a collection of a number of the best articles written by outstanding leaders in business, and industry and education. They have at some time appeared in the American Management Association's **Supervisory Management** magazine. It is not a book of rules, theories and abstractions. Rather it is an approach with a refreshing amount of realism.

The authors have recognized that management is "the art of getting things done through people." A "people-oriented" approach has been taken. Each subject is covered in a practical, common sense way. Human frailties are approached in a manner that should cause each supervisor to do self-evaluation and then approach his job with a greater understanding of the fact that the key to the solution of his problem lies within himself.

In addition to an excellent coverage of leadership, sections are devoted to building and developing employees' high morale, sound union-management relations, and the place of the supervisor in the community.

This book is recommended as an excellent addition to any rural electric or personal library. It is well-written and edited, easy to read, down-to-earth and understandable. It should be especially welcomed by busy supervisors with limited time available for reading. Each chapter is a separate article. Therefore, one does not need to read the complete book before he can apply some of the material presented. The wide variety of leadership subjects covered makes this a ready reference book for many supervisory problems, and it is one that might well be referred to daily.

—Tom Smith







# NRECA Management Services Presents

## ... Institute and Workshop Programs for You

<b>Board's function in rural electric system management</b> .....	Institute IB
November 17-18	Leamington Hotel, Minneapolis, Minn.
<b>Planning and holding productive board and committee meetings</b>	Institute IIB
October 6-7	Grand Rapids, Minn.
<b>Vitalizing the membership through good member meetings for directors</b>	Institute IVB
October 13-14	Cornhusker Hotel, Lincoln, Neb.
<b>Board's role in planning</b>	Institute VB
November 3-4	Broadview Hotel, Wichita, Kan.
November 1-2	Hotel Utah, Salt Lake City, Utah (Prior to Region IX Meeting)
November 29-30 and December 1-2	North Carolina
<b>Organization and wage and salary administration</b>	Institute II
September 29-October 1	Leamington Hotel, Minneapolis, Minn.
October 17-19	East River Electric Power Co-op, Madison, S. Dak.
<b>Developing and appraising subordinates</b>	Institute V
October 3-5	Mountain View Inn, Gatlinburg, Tenn.
November 14-16	NRECA Building, Washington, D. C. (Hotel reservations to be made at the DuPont Plaza)
<b>Controls, measuring and board reports</b>	Institute VI
September 26-28	Heidelberg Hotel, Jackson, Miss.
November 17-19	NRECA Building, Washington, D. C. (Hotel reservations to be made at the DuPont Plaza)
<b>Career planning and self-development</b>	Institute VII
November 14-16	Jung Hotel, New Orleans, La.
<b>Decision making and applying the basic management functions</b>	Institute VIII
October 10-14	Davenport Hotel, Spokane, Wash.
November 28-December 2	Leamington Hotel, Minneapolis, Minn.
<b>Improving supervisory skills for office supervisors and line foremen</b>	Institute II-S
November 3-4	Hotel Sir Walter Raleigh, Raleigh, N. C.
November 14-15	Chugach Electric Association, Anchorage, Alaska
<b>Developing and using a systematic wage and salary plan</b>	Workshop I
October 10-12	Lafayette Hotel, Little Rock, Ark.
November 28-30	Kentucky Rural Electric Co-op, 4515 Bishop Lane, Louisville, Ky. (Hotel reservations to be made at the Brown Suburban)
<b>Retail rates</b>	Workshop III
September 29-October 1	Gladstone Hotel, Casper, Wyo.
October 17-19	Biltmore Hotel, Oklahoma City, Okla.
November 28-30	Terrace Motor Hotel, Austin, Tex.
<b>Labor relations</b>	Workshop IV
October 3-5	NRECA Building, Washington, D. C. (Hotel reservations to be made at the DuPont Plaza)
November 16-19	Chugach Electric Association, Anchorage, Alaska
December 14-16	Broadview Hotel, Wichita, Kans.
<b>Office communication and paper work for office personnel</b>	Workshop VB
September 26-27	Deshler Hilton Hotel, Columbus, Ohio
September 28-29	Hotel Lassen, Wichita, Kan.
October 24-25	Alvarado Hotel, Albuquerque, N. Mex.
November 21-22	Cornhusker Hotel, Lincoln, Neb.
<b>Managing the member education/power use program</b>	Workshop VI
October 6-7	Cornhusker Hotel, Lincoln, Neb.
October 11-12	Kentucky Electric Co-op, 4515 Bishop Lane, Louisville, Ky. (Hotel reservations to be made at the Brown Suburban Hotel)
October 27-28	Henry Grady Hotel, Atlanta, Ga.
<b>Financial planning</b>	Workshop VII
November 14-16	Alvado Hotel, Albuquerque, N.M.
November 21-23	Savery Hotel, Des Moines, Ia.



### The Individual

*The more we can count on each individual to see the whole problem and find for himself which path will lead to the solution, then the more original and creative and valuable will be his contribution to the end result—which is the outcome of many individuals working toward a common goal.*

—from a Management  
Publication of the  
GLENN L. MARTIN COMPANY

